FINANCIAL TIMES

No. 27,140 Friday December 3 1976 ** 10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.480; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Ptas.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

Giscard calls for 1977 summit

President Giscard d'Estaing, after talks in Pisa with Italian leaders, called for a summit meeting of the world's industrialised countries to discuss the economic and monetary situation.

The French President said he would like the summit to take place in the middle of next year and to be preceded by a meeting of EEC Heads of Government. His proposal was endorsed by Sig. Giulio Andreotti, the Italian Prime Minister.

M. Giscard said there had been a reduction in perspectives for growth since the Puerto Rico summit earlier this year and new decisions were needed. He did not say where he would like the summit to take place.

Chinese Foreign Minister sacked

China's Foreign Minister, Chiao Kuan-hua, has been dismissed and replaced by Huang Hua, formerly ambassador to the UN, the New China News Agency said. The decision of the National People's Congress was unanimous. Mr. Chiao is understood to have been under attack privately for his political links with Mao Tse-tung's widow, Chiang Ching.

M1 accident

Eight vehicles were involved in a serious accident on the M1, which closed both carriageways between Rotherham and Sheffield. Flooding caused chaos on roads in Somerset, especially near Yeovil, and in East Anglia, where farmers forecast that much of the potato crop had been ruined. Schoolchildren were stranded when a bus was stuck in heavy snow in Northumberland.

Grundy suspended

Thames Television has suspended interviewer Bill Grundy for two weeks because of the Today teatime show on Wednesday when four-letter words were used by the rock group Sex Pistols.

Video in court

Two magistrates' courts have accepted video-tape of shoplifting as evidence. In both instances, the shoplifters were spotted by an in-store closed circuit TV camera and the video-tape was played back in court. Page 11

Brezhnev promise

Mr. Jimmy Carter, the U.S. President-elect, is said to have been privately assured by Mr. Leonid Brezhnev, the Soviet leader, that the Russians will "go out of their way" to avoid any crisis in the early days of the Carter administration. Page 7

Dublin reshuffle

Mr. Liam Cosgrave, the Irish Prime Minister, has "temporarily" taken over responsibility for Defence in a Cabinet reshuffle while Mr. Patrick Donegan, the former incumbent, whose attack on President O'Dailaigh precipitated his resignation, is demoted, Hillery installed to-day. Page 4

Bank raid foiled

A raider fled from the National Westminster Bank, Guildford, Surrey, after confronting Mr. Alan Grant, the manager, in his office with a sawn-off shotgun. Mr. Grant, a rugby referee, pursued the man, who claimed to be armed with a bomb, and brought him down with a crash tackle outside a jeweller's 200 yards away.

Bath Spa protest

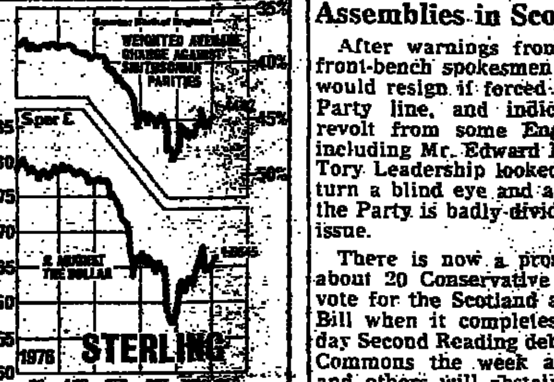
Polio victims, spastics and rheumatoid arthritis sufferers are to make a last-minute protest to the Government to-day, when Bath Spa's natural spring water centre closes, because it is uneconomic.

Nato civilian personnel in Brussels staged a one-day strike to press for cost-of-living compensation and better equipment pensions.

BUSINESS

Sterling firm; gold up $\$\frac{1}{4}$

● STERLING rose 15 points to \$1.6645; its weighted depreciation improved to 44.8 (44.9) per cent. The dollar's appreciation narrowed to 0.12 (0.32).



● GOLD rose \$¼ to \$130¾.

● STOCK MARKETS barely moved, with official markings the lowest for about 16 months. In equities, the FT 30-share index lost 0.4 to 300.9, while the All-Share gained 0.3 per cent. to 131.15. In gilts, the Government Securities Index was unchanged at 58.22. By contrast turnover in November was up nearly 30 per cent. on the previous month, at £10.4bn., the FT Turnover index shows. Page 26

● WALL STREET closed 2.74 down at 946.64.

● U.S. MONEY SUPPLY—M1: \$307.9bn. (\$310.8bn.); M2 \$731.2bn. (\$732.4bn.); commercial and industrial loans at major NYC banks: Up \$145m. (\$200m.); Federal funds average rate, 4.78 (4.90) per cent.; average rate on 90-119 day dealer placed commercial paper, 4.75 (4.90) per cent.

● PROPERTY MARKET indicators poll shows a marked reversal of investment yields. Page 20

Shipbuilders to ask for help

● MERCHANT shipbuilders, alarmed at the prospect of further delays to the nationalisation Bill, are to urge the Government for help to attract badly needed orders. Back Page

● MACHINE TOOL industry's order book increased for the first time in two years in the third quarter, according to the Department of Industry. Back Page

● CAR IMPORTS into the U.K. in October were 117 per cent. above the 1975 figure at £93.4m., while exports were 26 per cent. up at £44m. Page 9

● FRENCH Securities and Exchange Commission will shortly subject British and other international accounting firms operating in France to greater surveillance, under a new directive. Back Page

● FIRST EEC consumer tax, on alcohol, has been proposed. It would add about 3p to a bottle of whisky.

COMPANIES

● BP profit after tax for the third quarter stood still at £51.9m. Page 25 and Lex. U.K. chemical industry investment in 1975 was 22 per cent. higher than in 1974 in real terms, and there was an export surplus of £770m., says the Chemical Industries Association.

● BASS CHARRINGTON pre-tax profit for the year to September 30 rose to £68.6m. (£55.6m.) on sales 22.4 per cent. higher at £801.7m. Page 26 and Lex

● RACAL ELECTRONICS first-half pre-tax profit rose 35 per cent. to £11.52m. Directors forecast a 12-month total up from last year's record £19.65m. to over £28m. Page 24 and Lex

● NATIONAL and Commercial Banking Group chairman said the corset controls on banks will mean a very tight lending squeeze in the next six months. Page 26 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Bank of Scotland	207	+ 7
Barclays	208	+ 6
Beecham	336	+ 8
Burton Group	95	+ 8
Churchbury Estates	118	+ 8
Cohen (A.)	130	+ 10
Common Bros.	120	+ 4
Glaxo	868	+ 8
Great P. Estates	189	+ 8
Hammerson "A"	270	+ 10
Haslemere Estates	146	+ 6
Hawker Siddeley	396	+ 8
Hill (Chas.) of Bristol	75	+ 10
Nat. West. Bank	183	+ 8
Property Hldgs.	196	+ 10
Ratners	47	+ 3
Robb Caledon	45	+ 5
Samuel Props.	371	+ 31
Sangamo Weston	147	+ 35
Utd. Real Property	182	+ 6
Whessoe	46	+ 5
Winterbottom Trust	136	+ 4
Young, Austen & Y'ng	46	+ 4
BP	736	+ 8
BH South	110	+ 10
CRA	225	+ 20
EZ Inds.	240	+ 15
Northgate	410	+ 70
Peko-Wallsend	330	+ 20
Randfontein	£23¼	+ 1
Westfield Minerals	115	+ 18
FALLS		
Daily Mail "A"	180	− 5
Davis (Godfrey)	261	− 2
Metal Box	218	− 6
Pilkington	263	− 10
Racal Elec.	208	− 7
Reed Intl.	171	− 7
Weyburn Eng.	305	− 5
RTZ	142	− 5

Tories in turmoil as Thatcher faces split on devolution

BY RICHARD EVANS, LOBBY EDITOR

The Conservative Party was in turmoil over the issue of devolution last night, and Mrs. Margaret Thatcher faced a substantial party rebellion after the Shadow Cabinet decision to oppose outright the Government's Bill setting up Assemblies in Scotland and Wales.

After warnings from Scottish front-bench spokesmen that they would resign if forced to toe the Party line, and indications of revolt from some English MPs including Mr. Edward Heath, the Tory Leadership looked likely to turn a blind eye and accept that the Party is badly divided on the issue.

There is now a prospect that about 20 Conservative MPs will vote for the Scotland and Wales Bill when it completes its four-day Second Reading debate in the Commons the week after next, and others will abstain.

This means that with the help of Nationalist MPs and the Liberals, the Bill should get its second reading comfortably, despite a number of rebels and abstainers on the Government side.

But it still faces a tortuous committee stage lasting several months when the Government will have to make a number of concessions.

First indications of the worst Tory party split Mrs. Thatcher has faced came when five Scottish frontbench spokesmen met the party leader and Mr. Humphrey Atkins, Conservative Chief Whip, to urge a special dispensation to allow Mr. Alick Buchanan-Smith, Shadow Scottish Secretary, to abstain.

They warned that if Mr. Buchanan-Smith, a passionate devolutionist, was forced to obey the three-line whip against the Bill and quit the Shadow Cabinet, they would abstain and consider resigning from the Front Bench in protest.

Rather than face a running internal party battle that would dissipate the Opposition attack on the Government, the Tory leadership seems likely to accept the request and allow Mr. Buchanan-Smith to abstain.

The pro-devolutionist Scots were Mr. George Younger and Mr. Malcolm Rifkind, both spokesmen on Scottish Affairs, Mr. Hector Monro, Shadow Minister for Sport, Mr. Hamish Gray, an Energy Spokesman, and Mr. John Corrie, the Scottish Whip.

In addition, there is Mr. Russell Fairgrieve, Chairman of the Scottish Conservative Party.

The unknown element in the Conservative turmoil is the attitude that Mr. Heath, the former leader, will adopt. He is a convinced pro-devolutionist, and his friends believe he will either abstain or vote for the Bill.

This would give greatly increased heart to the small band of English Tories who are appalled at the Shadow Cabinet decision and who intend to join their Scottish colleagues in rebellion.

There were protests about the decision at last night's meeting of the 1922 Committee when English MPs, led by Mr. Peter Blaker (Blackpool South), stressed the damage to Scottish colleagues who would appear to be voting against the principle of devolution.

He was backed by three other English MPs, Mr. Robert McCrindle, Mr. David Mitchell, and Mr. Cyril Townsend.

The Federation of Conservative Students, whose president is Mr. Heath, issued a statement that the decision to oppose the Bill would be nothing short of disaster for the Tories in Scotland.

The Federation intends to campaign consistently for the Government's Bill.

The Shadow Cabinet reached its decision after a tortuous series of meetings lasting into the early hours of yesterday.

Mr. Francis Pym, Shadow spokesman on devolution, tried desperately to persuade his colleagues to accept a reasoned amendment explaining the Party position, but he found little support.

Overwhelming backing was given to the proposal to conduct an all-out Parliamentary war on the Government's proposals, which are regarded by the Tories as too costly, too bureaucratic and likely to lead down a slippery slope to separatism.

But the danger for the Conservatives is that the decision will be taken in Scotland as a vote against devolution in principle, and not, as Conservative

Continued on Back Page

Britain plans active role in Rhodesia government

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE BRITISH Government is ready to play a direct role in the transitional Government in Rhodesia although the nature of this British presence would depend on the structure of the interim Government.

Mr. Anthony Crosland, Foreign Secretary, gave this clarification of Britain's role yesterday in a written answer to Mr. John Prescott, Labour MP for Kingston-upon-Hull East.

Mr. Crosland said that the objective of Mr. Ivor Richard, the British chairman, was to secure an early agreement on the structure of the interim Government. Formal meetings on this had started.

"For their part, Her Majesty's Government are ready to play a direct role in the transitional Government, if it is the general view that this would be helpful.

"The nature of this British presence would, of course, depend on the structure agreed for the interim Government," Mr. Crosland concluded.

David Egli writes from Geneva: Rhodesian nationalists are sharply divided on the role that Britain should play in the transitional period leading to independence. This became clear as delegation leaders at the conference here launched into nearly two hours of sometimes acrimonious discussion on the structure of an interim government.

Mr. Rex Nhongo, field commander of the Zimbabwe People's Army, and General Joshiah Tongogara attended as advisers of Mr. Robert Mugabe, thus apparently endorsing the claims of his delegation to hold strong Mozambique-based guerilla support.

Both men arrived earlier in the day from Maputo as part of a group of nine including militants from the people's army and members of the central committee of the Zimbabwe African National Union.

The clearest call for a British presence in Salisbury during the interim period came from the Patriotic Front delegations of Mr. Mugabe and Mr. Joshua Nkomo. In a statement of guiding principles, they said that Britain must participate in and accelerate the process of decolonisation.

They had asked for a resident commissioner with the formal functions of a Governor in a dependent territory "but with certain specific limitations on his powers to meet the exceptional situation of Southern Rhodesia."

The ZANU party of the Rev. Ndabaningi Sithole apparently is against any British presence in Rhodesia. Having failed to get a firm undertaking from Mr. Richard that Britain would be prepared to assume an active role, the delegation of Mr. Sithole *has concluded that it would be* better if Britain stayed away altogether.

"*We see no reason at all why* the British should crawl in through the back door," Mr. Kasiwe Malindi, delegation leader, said after the meeting.

Bishop Abel Muzorewa believes that there will have to be a British presence during the period of the interim Government and he sees this not only as a constitutional appointment, but also as an appointment "to

Continued on Back Page

Fishing zone claim ignored

BY ROBIN REEVES

BRUSSELS, Dec. 2.

THE EUROPEAN Commission to-day sent to EEC capitals proposals for interim common fisheries arrangements to operate after 200-mile fishing limits are adopted by the Nine from January 1. But they ignore British and Irish demands for exclusive zones up to 50 miles and a stormy session is possible at the December 14 meeting of the Council of Ministers, when the question of exclusive national zones will be the major subject on the agenda.

In keeping with its original guidelines, the Commission proposes confining exclusive zones to the present six to 12 miles and allocating fishing inside the 200-mile limits on the basis of quotas.

The only concession to Britain and Ireland is a slight enlargement in quotas to take account of the special position accorded to the Irish fishing industry, and to communities dependent on fishing in northern Britain, by the Hague Declaration of Foreign Ministers of the Nine.

Although the Commission's proposals are intended to cover 1977 only, pending negotiations on a permanent agreement, the Irish government, at least, seems bound to take the view that accepting the temporary zone would prejudice prospects of obtaining a wider permanent one.

The U.K. Government may take the same line. But the signs are that its concern is still centred more on the Commission's negotiations to secure continued fishing rights for British trawlers in Norwegian and Icelandic waters and it may "buy" the quota proposals on an interim basis.

Elsewhere in Brussels, Nato officials are increasingly concerned that the Soviet Union, whose catch in the Community "pool" to be created, on January 1, totals some 500,000 tonnes, will continue to refuse to recognise the EEC's 200-mile limit.

They note that the Soviet Government has signed a framework agreement on fishing with Norway, thereby recognising its 200-mile declaration, if not, as yet, the Community's.

But they are worried about the pressure being exerted on the Norwegians by such means as "test firing" into the Norwegian part of the Barent Sea. The potential for Russian and Nato fishing disputes developing into military confrontation is obvious.

The EEC is ready to negotiate a fishing agreement with the Russians. But given that the Soviet Union has little to offer in return, any agreement will inevitably involve a gradual phasing down, if not phasing out, of Russian trawlers in EEC waters.

For latest Share Index 'phone 01-246 8026

Leyland investment approved by Varley

By Terry Dodsworth, Motor Industry Correspondent

BRITISH LEYLAND'S controversial plans for a replacement Mini, expected to cost about £140m., have been formally endorsed by Mr. Eric Varley, the Industry Secretary, after a six-week appraisal of the costings and productivity commitments given by the company.

In a letter sent yesterday to the National Enterprise Board, British Leyland's major shareholder, the Department of Industry is believed to have stressed the importance it attaches to the agreements on productivity which the company reached with the unions in October. These points will be relayed to the workforce at a series of meetings to-day.

From that point, the company can embark on the buying programme for what promises to be the largest venture ever launched in the British motor industry.

This involves stripping the Longbridge plant in Birmingham, which employs about 25,000 men, for conversion to Mini production alone. At the same time a new body plant is being built nearby, at a cost of about £40m., and the Allegro assembly lines are being transferred to Seneffe in Belgium. The target date for the launch of the new car is 1979.

The scale of this activity suggests that Leyland Cars is planning a considerably larger output for the new car than the present Mini.

Although no figures have been formally published by the company, senior executives privately admit that they are aiming for a capacity of up to 500,000 units a year, about the same as the output of the new Ford Fiesta which is made on three different sites in Europe. The Fiesta project cost Ford more than £400m.

Essential

Success with its new small car is essential if British Leyland is to establish itself as a sound, self-financing enterprise as foreseen in the Government rescue plan. The company needs to maintain its position in the small car market if it is to continue in its present shape.

This need to protect its market share is one of the reasons why the NEB backed the Leyland plan in spite of some reservations about the new vehicle's profitability. Returns on small cars are generally low, and Board members, accustomed to higher profits in other industries, had some doubts on these grounds.

But it is stressed that the figures are defensible in terms of profitability.

Suppliers have been waiting anxiously, and with increasing impatience, for several months for the company to begin signing off money on the new investments.

U.K. to repay $1.6bn. loan on Thursday

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN WILL repay its \$1.6bn. drawings on the central bank standby facilities next Thursday, as planned, out of reserves which stood at \$5.16bn. at the beginning of the month.

The U.K. official reserves rose by \$453m. during November after foreign currency borrowings by the public sector, of \$604m. There were no further drawings on the central bank standby.

The announcement made little impact on sterling which consolidated its recent advance—closing 15 points up at \$1.6645, after a day's high of \$1.6715. The pound has risen 1.6 cents so far this week.

The intended repayment of the standby drawings on the due date next week means there is likely to be a gap of at least a month before the first instalment of the \$3.9bn. loan from the IMF is received, assuming there are no further delays in the timetable for agreement.

Repayment will reduce the reserves to just over \$3.5bn. — by far the lowest total for more than five years.

The authorities clearly believe that this will be more than sufficient to cover any outflow during the period.

Outflow

The scale of the pressure on sterling this year is indicated by the fact that after the repayment the reserves will have fallen by \$1.87bn. since last December.

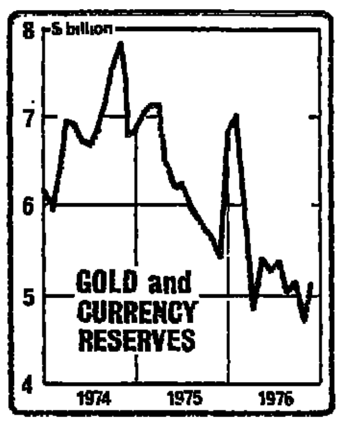
This is despite borrowings overseas of \$3.2bn. by the public sector and drawings of almost \$2bn. from the IMF. So the total outflow so far this year will have been about \$7bn.

A relatively encouraging feature of the latest reserve figures is that the underlying fall of \$151m. after adjusting for the public sector borrowing is the smallest since last February.

After taking account of the continuing high current account deficit and the normal transactions for Government departments and other central banks, the small size of the decline inevitably raises the question of whether the authorities were selling sterling and buying dollars during part of the month in order to push up the reserves.

There was the opportunity for this to occur, since apart from a couple of short-lived hiccups, the pound was relatively firm for most of November. Sterling started the month around the \$1.59 level and closed just over \$1.65 after a high of \$1.69.

The pound's strength reflected in large part the foreign exchange market's confidence that the U.K. would secure a loan from the IMF with an associated package of economic measures and that there was also an end



in sight to the problem of the sterling balances.

The market's judgment on the IMF terms and the Government's economic measures will clearly be critical, and the need to ensure international confidence is clearly a major factor in the present discussions in Whitehall.

A major factor in maintaining the reserves at their present level has been the heavy programme of borrowings by the public sector under the exchange cover scheme, under which the Treasury protects a nationalised industry or other public body against any exchange loss on the loan.

Last month's public sector borrowings of \$604m. were the largest this year and included \$500m. raised by the Electricity Council, a net \$72m. bond issue by the South of Scotland Electricity Board, and a \$32m. loan for the National Coal Board.

On the same day that Britain will repay its central bank standby drawings, it is due to receive \$486m. from Italy in repayment of a short-term loan.

This will aid the liquidity of the reserves though it will not make any difference to the total, since, under the conventional practice, such a short-term loan is already counted as part of the reserves.

The reserves will anyway be boosted over the next six months as a result of the recent move to stop banks lending sterling overseas to finance trade between third countries.

Mr. Denis Healey, Chancellor of the Exchequer, estimated in the Commons on Tuesday that this would produce an improvement of £500m. (about \$830m.) in the capital account next year.

£ in New York

—	Dec. 2	Previous
Spot	\$1.6624-6654	\$1.6630-6640
1 month	1.52-1.48 dis	1.52-1.54 dis
3 months	4.50-4.38 dis	4.38-4.33 dis
12 months	13.45-13.35 dis	13.75-13.65 dis

LOMBARD

Blocking the circulation

BY ROBERT COLLIN

ALTHOUGH restrictions of one kind or another on the payment of dividends have been imposed intermittently for many years past, few if any politicians have sought to argue that they make financial or economic sense. Indeed, the inherent nonsense of the idea has long been tacitly recognised by requiring what are nowadays known as closed companies to observe precisely the opposite rule to that imposed on others and pay out a minimum proportion of their profit in dividend or be taxed as if they had.

Dividend restriction has always served the purely political aim of helping to persuade trade unions to acquiesce in policies of wage restriction: if earned incomes are to be held back, the feeling goes, then unearned incomes ought to be held back at least as firmly. Once upon a time, this emotional case may have had some force. But the brighter trade union members were not slow to spot that wages and dividends are not comparable: a wage freeze means the permanent loss of income, a dividend freeze only its postponement or its transmutation into capital gain. More recently, trade unionists have become much more aware of the extent to which dividends are paid to institutional investors who need them to pay pensions and life policies: if they are held back below the rate of inflation, there is a risk that pensioners may suffer.

Investment

There is good reason to believe, at any rate, that the TUC is much less interested than it once was in dividend restraint as the conventional accompaniment to prices and incomes policy. Once the emotional case for restraint is undermined, however, the commonsense arguments against it regain their full force. There exist a number of loopholes in any case—notably rights issues—through which companies can escape from the rules, and even the appearance of avoidance is undesirable. The imposition of a certain limit on increases, in dividends as in wages, creates an assumption that everyone should pay the full permissible increase, whether or not they would have chosen to do so in freer conditions. Above all, however, dividend restraint blocks the normal market channels through which investible funds are transmitted from companies which have a surplus to those which have a deficit.

It is perfectly possible—indeed, it is the normal state of affairs—that some companies, however efficient and expansion-minded they may be, have at any particular time more cash available from profit than they can usefully employ on new capital investment. This may be because there are no suitable investment opportunities immediately available, or because they temporarily lack the quantity of managerial talent needed to invest all their available funds profitably, or for half-a-dozen other equally valid reasons. At the same time, there are likely to be other companies which have perfectly sound and profitable plans for new investment but lack the funds to carry it through. It is the function of the market to transfer funds from one set to the other.

Market means

The way in which the market operates, when it is allowed to do so, is that companies which are generating more profit than they can profitably re-invest for the time being increase their dividends. The recipients of these higher dividends, and notably the large institutional investors, are then better placed to provide new equity capital to those other companies which have the profitable projects but insufficient funds to back them. It is clear that this channel for passing money from one company to another is all the more important when long-term fixed-interest borrowing is impracticably expensive and bank lending is severely restricted.

There is at present, some Ministers would argue, an alternative channel in operation. Firms with surplus cash invest it in gilt-edged stock and the Government uses the proceeds to invest, through one of its various instruments, in those firms and sectors of industry which it thinks deserving. One could reply that it is a matter of practical urgency at present to reduce the public sector borrowing requirement—and there is no doubt that the removal of dividend restraint as part of the coming package would contribute its bit towards increasing confidence in the Government's policies. But the real reply to such an argument is that Government bodies, partly because they are ill-equipped for the job, partly because they are under political pressure to help inefficient as well as efficient firms, will not be able to match the market in investing funds where they are likely to be most fruitful. If we are to have more and more productive investment, dividend restraint should disappear . . . and in an ideal world, of course, the tax system would push in the same direction.

RACING BY DARE WIGAN

A chance for Adulation

AS IS invariably the case, there is a strong card at Sandown, where *Adulation*, runner-up in his three races this seanson, may get off the mark in the Ewell Handicap Chase (2.30).

Usually, Derek Kent's six-year-old goes off in front, but at Chepstow the other day when he divided Prince Rock and Forest King, he was held up, and it will be interesting to see what tactics will be adopted this afternoon. In either event, he has a first-rate chance with 11 stone in the saddle.

Of the other two steeplechases on to-day's programme, the Bookham Novices Chase (1.30) looks a cinch for *Fourth Son*, second to Tree Tangle at Wincanton on November 11, and fourth behind that horse, Border Incident, and Davy Lad in the Black and White Whisky Gold Cup at Ascot nine days' later.

Rathvilly, a good stamp of horse whom Richard Head trains for Mr. J. Yarde-Buller, is likely to go close for the Palace Handicap chase (2.0).

A surfeit of runners for Division I of the Regent's Novices Hurdle means that the race will be sub-divided, with Division I (part I) being run at 12.30, in which I shall take a chance with newcomer, *Stellenbosch*, a fair performer on the flat last season.

Division I (part II) (1.00) may go to *Legal Advice* from David Morley's in-form stable. And Division 2 (3.30) lies with Morley's Scort, *Queen's College* and Highland Orchid. My preference is for Queen's College, a half-brother to crack two-mile steeplechaser, Isle of Man.

Assuming *Tarot* is fit enough to do justice on his first appearance of the season, Fred Winter's charge will require a great deal of beating in the Effingham Handicap Hurdle (3.00).

At Market Rasen, *Glanford Brigg*, who showed signs of returning to form when scoring at Leicester last month, can lead from start to finish in the Limestone Edward Handicap Chase (2.15).

Fortria is a confident selection for Division I of the Have-A-Care Long-Distance Novices Hurdle (1.45). And *Upper Echelon*, though he disappointed when favourite on his most recent appearance, can make amends in the Gordon Arms Handicap Hurdle (2.45).

SANDOWN
12.30—Stellenbosch
1.00—Legal Advice
1.30—Fourth Son***
2.00—Rathvilly*
2.30—Adulation**
3.00—Tarot
3.30—Queen's College

MARKET RASEN
1.45—Fortria
2.15—Glanford Brigg
2.45—Upper Echelon

SALEROOM BY ANTONY THORNCROFT

£394,000 for contemporary art

SOTHEBY'S yesterday held the most successful sale of contemporary art seen in London or New York for years. It totalled £394,025, with only 14 per cent. bought in, an extremely low figure for such a volatile and fashion-conscious field.

The top prize was the £66,000 paid by an American private buyer, Wingate, for an oil and crayon on canvas by Cy Twombly. It gives the initial appearance of scribbles on a light background, and carries the description Untitled. The bid came at the end of the sale over the telephone and was well above the previous best for the artist of £21,000.

Wingate also paid £36,000 for Robert Rauschenberg's Buffalo. Gallery 69 in Stockholm acquired Jean Dubuffet's Marche en Campagne for £29,000, and Benedek Fine Art, New York, paid £18,000 for Composition, by Mark Rothko, a white band on a yellow background. Another Twombly, Death of Giuliano de Medici, went to a Hamburg museum for £16,000.

A reflection of the high prices throughout the auction was the £1,400, more than double the estimate, for Van Gogh's Sunflowers, a bronze and copper sculpture by Clive Barker. The artist was at Sotheby's yesterday to rearrange the position of the flowers before bidding began.

The Eton coin collection, mainly Roman coins, was sold for £199,462 over the two days. Lobell paid the top price of the sale yesterday at £3,300. In May, Sotheby's sold coins from Westminster School for £156,410.

Perhaps the most eye-catching prices ta Christie's series of sales yesterday were the £1,050 paid for a dozen bottles of Chateau-Lafite 1874, which was a record for a dozen bottles of wine, and the same price for a corkscrew, another auction record, the previous best being £205. The corkscrew, bronze, French, and mid 19th century, had been expected to go for about £150.

Christie's held a successful auction of French and Continental furniture which totalled £211,730 and a mixed sale of modern prints and illustrated books which realised £172,645. The most remarkable price in the furniture was the £12,000 for a transitional marquetry commode, stamped RVLC, which had been expected to go for about £3,500.

Other prices were: £6,500 from Rubin for a set of six late Louis XVI mahogany fauteuils by G. Jacob; £6,200 for a Louis XV kingwood bureau plat; and £5,000 from Vigo Sternberg for a pair of Flemish verdure tapestries.

Prices were mixed at Christie's other sale, but a copy of A toute epreuve, with 80 woodcuts in colours by Joan Miro, went for £10,000 to a German dealer, Kazinikas, who also paid £8,500 for a Passion, illustrated with 17-aquatints by Georges Rouault. (A similar book sold for £4,300 at Sotheby's in the summer.) He also bought another Miro illustrated work, Nous Avons, for £7,000, while La Bague d'Aurore, with Miro illustrations, went to Galerie Redies for £7,000. Fischer Fine Art, London, paid £6,500 for Homer's L'Odysee illustrated by Henri Laurens, and the same price secured Au Cirque, a drypoint by Picasso.

Christie's South Kensington subsidiary sold dolls for £31,368, and claimed an auction record for a 19th century one when a French Bru went for £2,400, with another £500 being paid for her trousseau.

At Bonham's, furniture and carpets totalled £145,851, the saleroom's highest sum in this market. Emanouel paid £12,000 for a Kashan carpet and £4,600 for a Kashan rug. A Flemish tapestry of about 1700 fetched £4,600, and a Louis XVI tulipwood secretaire £4,200. Paintings added another £72,928, with a best price of £3,300 for a formalised genre painting, Twixt Love and Riches, by Arturo Ricci.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.30 a.m. For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 Ring-a-Ding. 2.02 For Schools, Colleges. 3.20 Her Nodiant. 3.53 Regional News (except London). 3.55 Play School. 4.20 It's the Wolf. 4.25 Jackanory. 4.40 Emu's Broadcasting Company. 5.10 The Discoverers.
5.40 News.
5.55 Nationwide.
6.15 Sportswide.
7.00 Holmes and Yoyo.
7.25 Ken Dodd's World of Laughter.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Quest.
10.15 Tonight.
10.45 Regional News.
10.46 The Friday Film: "Cape Town Affair."

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. O Dan Y Mor. 5.55-6.20 Wales Today. 7.00-7.25 Heddiw. 10.15 Kane On Friday. 10.45 Omnibus (German Cinema). 11.35p.m. News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 11.30-11.50 For Schools. 5.55-6.20 Reporting Scotland. 7.00 Ken Dodd's World of Laughter. 7.45 When The Boat Comes In. 8.35-9.00 Current Account. 10.15 The Pleasure Is Mine with Honor Blackman. 10.45-10.46 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 The Three Graces. 10.45-10.46 News for Northern Ireland.

England—5.55-6.20 p.m. Nationwide (London); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Look East (Norwich); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 North (Leeds) Only Make Believe; North West (Manchester) Home Ground; North East (Newcastle) Up North; Midlands (Birmingham) Rally; West (Bristol) the "E" (for Environment) Show; South West (Plymouth) Peninsula; South (Southampton). Spitfire!; East (Norwich) On Camera.

BBC 2

11.00 a.m. Play School.
7.00 News On 2 Headlines.
7.05 Indoors Outdoors.
7.30 Newsday.
7.45 Oh, To Be In . . .
8.10 The Money Programme.
9.00 Rutland Weekend Television.
9.30 A World Of Music presents Carpenters in Concert.
10.15 Brensham People.
11.00 Late News On 2.
11.10 Open Door.
11.40-11.45 Closedown: Jill Balcon reads "Kangaroo," by D. H. Lawrence.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful Of Songs. 12.10 p.m. Hickory House. 12.30 Battle Of The Comics. 1.00 News, plus FT Index. 1.20 Today's Post with Allan Hargreaves. 1.30 Crown Court. 2.00 Money-Go-Round Good Afternoon. 2.25 Friday Matinee: "Say Goodbye, Maggie Cole." 3.50 Emmerdale Farm. 4.15 The Siege Of Golden Hill. 4.45 Magpie. 5.15 University Challenge.
5.45 News.
6.00 Today.
6.35 Crossroads.
7.00 David Niven's World.
7.30 Sale Of The Century.
8.00 Within These Walls.
9.00 Police Woman.
10.00 News.
10.30 Police Five.
10.40 The Friday Film: "Countess Dracula."
12.40 a.m. Close: Julian Battersby reads from the letters of Vincent Van Gogh.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.25 Friday Afternoon Film: "All My Darling Daughters." [illegible] 7.00 Bless This House. 8.00 The Streets of San Francisco. 9.00 Des O'Connor Entertains. 10.30 Probe. 11.00 Friday Late Film: "That Certain Summer." 12.20 a.m. Your Music At Night.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.25 "The Angel Who Pawned Her Harp" starring Diane Cilento. 5.15 Spiderman. 6.00 ATV Today. 7.00 Bugs Bunny Cartoon. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Extra Time. 11.00 Friday Suspense Film: "Crescendo."

BORDER

†1.20 p.m. Border News. †2.25 Friday Matinee: "Seven Sinners." 3.40 Cartoon Time. 6.00 Border News and Lookaround. 7.00 Studio One. 8.00 The New Avengers. 9.00 The Des O'Connor Show. 10.30 Just Like Mum. 11.00 Late Night Film: "Doctor Jekyll and Sister Hyde." †12.45 a.m. Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 2.25 The Friday Matinee: "Terror In The Sky." †6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Two's Company. 8.00 The New Avengers. 10.00 Late With Danton. 10.30 Late Night Movie: "Crowhaven Farm." †12.20 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.25 Hawkins. 5.15 Survival. 6.00 Grampian Today. 7.00 Welcome to the Ceilidh. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 The Friday Film: "The Fox" starring Anne Heywood, followed by Road Report. 12.30 a.m. Evening Prayers.

GRANADA

1.20 p.m. What On Earth. 2.25 Mystery Movie: Cool Million. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.00 Cartoon. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. †10.30 Red Roses Every Night: "Forever and a Day."

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.25 Out Of Town. 2.55 Born Free. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Rising Damp. 7.00 Sez Les. 7.30 Six Million Dollar Man. 8.30 Sale of the Century. 9.00 Des O'Connor Entertains. 10.35 Report Extra. 11.05 Terror!: "Black Zoo."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 14.15-4.45 Woody Woodpecker Show. 6.00-6.15 Y Dydd. 6.30-7.00 Pollination. 10.35 Outlook On Agriculture. 11.05 The John Morgan Programme. 12.05 Bless This House.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

12.30 p.m. Battle of the Comics. †1.25 Road and Weather Report. 2.00 Women Only. †2.25 Friday Matinee: "Information Received." 5.15 Calimero. 5.20 Crossroads. 6.00 Scotland Today. 6.35 Jonathan Routh and Candid Camera. 7.00 Meet Marie Gordon-Price. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Ways and Means. 11.00 Late Call. 11.05 Feature Film: "Night Slaves."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.25 The Friday Matinee: "A Tree Grows in Brooklyn." 5.15 Weekend. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.35 Out Of Town. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 A Southern Report. 11.00 McCloud. 12.25 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 2.25 Friday Film Matinee: "Hawkins." 5.15 The Flintstones. 6.00 Northern Life. 7.00 Cartoon Time. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Sportstime. 11.05 The Friday Night Film: "Castle of Evil." 12.35 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.25 Friday Matinee: "East of Sumatra," starring Jeff Chandler. 3.40 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Phyllis. 8.00 The New Avengers. 9.00 The Des O'Connor Show. 10.30 Sportscast. 11.00 Friday Film: "Five Desperate Women."

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 Friday Matinee: "Terror in the Sky." 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 Two's Company. 8.00 The New Avengers. 10.32 Westward Late News. 10.35 Late With Danton. 10.50 Late Night Movie: "Crowhaven Farm." 12.10 a.m. Faith for Life.

YORKSHIRE

5.15 The Flintstones. 6.00 Calendar. 1.20 p.m. Calendar News. 2.25 Hawkins. (Emley Moor and Belmont editions). 7.00 Cartoon Time. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Des O'Connor Entertains. 10.30 Calendar Sport. 10.45 Friday Night Film: "The Power."

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Simon Bates. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Paddy O'Byrne (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Harry Carpenter's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland), 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The 76 Show. 7.30 Summer Songs (S). 8.02 Jack Dorsey conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.05 Victor Silvester and his Orchestra at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Schutz (S). 9.55 BBC Symphony Orchestra (S). 10.55 Piano Recital part 1 (S). 11.35 Interval Reading. 11.40 Recital, part 2. 12.20 p.m. Mid-day Concert, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Mid-day Concert, part 2 (S). 2.10 Beethoven String Quartets, part 1 (S). 3.00 In Short. 3.10 Beethoven Quartets, part 2 (S). 4.10 Tadeusz Baird concert (S). 4.35 Weber Piano Sonatas (S). 5.25 Recorder Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued) (S). 6.30 Lifelines: Leisure and Recreation. 7.30 Music from Pebble Mill, part 1: Shostakovich (S). 8.15 A Goal for Ecologists. 8.35 Music from Peble Mill, part 2: Schumann (S). 9.15 BBC Symphony Orchestra: Musgrave (S). 10.35 Music Now. 11.15 Wolf, chamber music concert (S). 11.25-11.30 News.

Radio 3 VHF only—6.30-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 Regional News (VHF), 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 Regional News (VHF). 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People (‡ from 9.40). ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 The Monster of Rugeley. ‡11.50 Over the Farm Gate. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just a Minute. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) from Birmingham, including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Harry Worth. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.25 Party Political Broadcast on behalf of The Liberal Party. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. 11.40 News.

For Schools (VHF only) 9.40 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

200m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Nick Lacy with Rush Hour. 9.00 Lobby. 9.20 John Toogood with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run. 6.00 London Sports Desk. 6.30 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Black Londoners. 10.03 Andy Finney with Single File. 12.00 Closedown—As Radio 2.

London Broadcasting

261m and 97.3 VHF

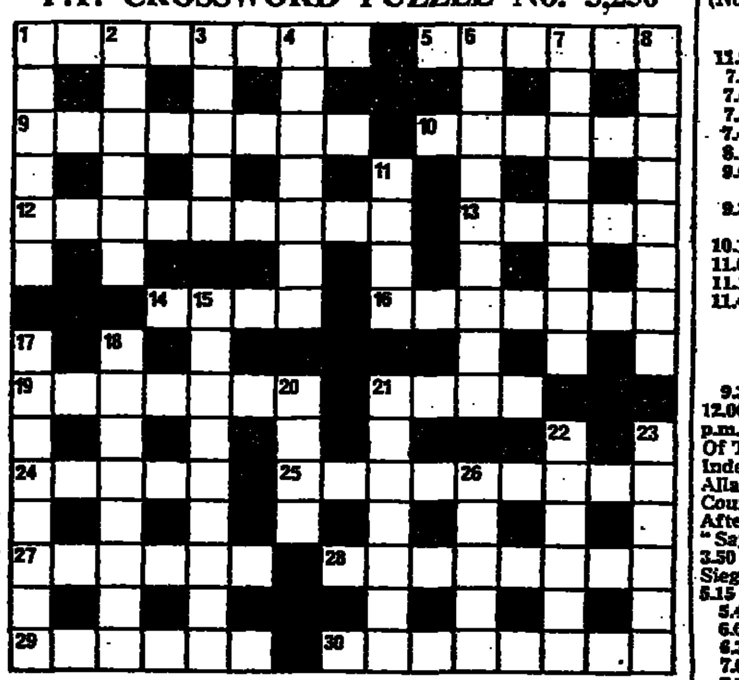
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 3.00 Newsbreak. 4.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene's The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt: The Late Show. 2.00-5.00 a.m. Night Flight.

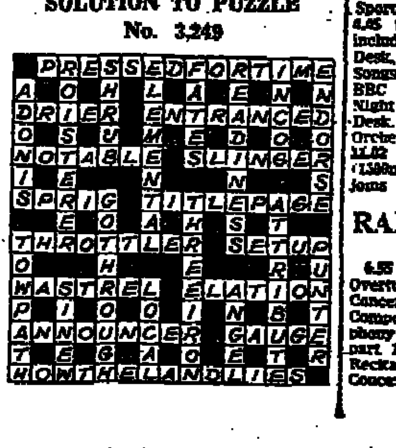
F.T. CROSSWORD PUZZLE No. 3,250



ACROSS
1 Audibly I yell for a confection . . . . (3-5)
5 . . . yell for the best from the south (6)
9 Recoil from shot by defender (8)
10 In favour of putting on weight—just a tiny bit (6)
12 Distribute too much about children (9)
13 Love to flap when in debt (5)
14 A note we hear from a distance (4)
16 Present in money in that place (7)
19 Note the scene of action for income . . . . (7)
21 . . . or the cost of speed? (4)
24 Transport vehicle to railway (5)
25 Record order apt to throw into confusion (9)
27 Nose around Rio for an abbey (6)
28 Shakespearean course that never did run smooth (4, 4)
29 An informer in the bank. . . . (6)
30 . . . explained again that the country's in the red (8)

DOWN
1 Source of writing material changing to pink (3-3)
2 Refrain from making oriental saint meditate (6)
3 Doctor found in Arab bible? It's unlikely! (5)
4 Account to employer or plaintiff (7)
6 Fabulous bird rising with animal is eating away (9)
7 Does wine tend to make things involved? Yes (8)
8 Soldier getting old but coping (8)
11 Handled the material (4)
15 Imagine! It's priceless and unattached (5, 4)
17 Lunatic creates strike on vessel (8)
18 Satiate and make superior force sick (8)
20 A whirlpool in flooded dyke (4)
21 Book one not in the team (7)
22 What the angler watches at sea (6)
23 Give attention to notice about nett return (6)
26 Open ring on green (5)

SOLUTION TO PUZZLE No. 3,249



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هكذا من الاصل

Cinema

Chinese freedom

by NIGEL ANDREWS

"What is truth?" asked jesting Pilate; and did not stay for an answer. Film makers and film critics have been asking the same question, and staying patiently for an answer, ever that strange artistic hybrid called the cinema was born 80 years ago. How far should this most "realistic" of art forms be trusted? (Often most realistic when it is lying—as in the seductive deceptions of trick photography). Are our criteria for truthfulness satisfied simply with seeing people and places accurately photographed, and sounds and sentences accurately recorded? Or do we expect and encourage the film-maker, like artists in other media, to "rearrange" his material in order to plumb deeper truths: truths of motive and emotion that lie too deep for the surface gaze of the camera?

A leviathan of a documentary has just arrived at the Other Cinema in Tottenham Street and raises these questions anew. How Yukong Moved The Mountains is a twelve-hour long portrait of China made by the veteran Dutch documentary director Joris Ivens in collaboration with Marceline Loridan. It is divided into five separate feature-length films and seven shorts. Films about China are rare enough to make any new addition to the canon warrant a prompt stampede to the box office, and Ivens and Loridan's *film* is already doing brisk business at the Other Cinema. As a picture of the Chinese people at work and at play, it has no precedent: it is more exhaustive than Felix Greene's films on China, more detailed and articulate than Antonioni's feature-length documentary seen last year on British television.

It also seems to me the most insidiously Utopian portrait of China so far, and, since I might as well declare myself now to be one of that troublesome band of sceptics who are not yet converted to the glories of Mao's China, an object lesson in how one kind of cinematic truth can flourish at the expense of another. How the truth of the eye and the ear can be cultivated to the exclusion, indeed to the virtual extinction, of the truth of reason, common sense and an intelligent interpretation of the facts.

Where do Ivens and Loridan take their camera and what do they show us? Four of the five documentaries show us what life is like in different work and living contexts in China: a fishing village, an oilfield, a factory, a pharmacy. In the fifth we follow the fortunes of a woman whose career is divided between her domestic duties as a wife and mother and her activities as the organiser of a factory workers' group. The short films offer such diverse topics as life in a school and an army training camp; the reminiscences of a university teacher whose "bourgeois" ideas of education were changed after the Cultural Revolution; rehearsal sessions with the Peking Opera and the Peking Circus; and an impressionistic view of city life in Shanghai.

London critics have greeted the films with an almost unanimous chorus of praise; most of their adulation being enshrined in the opinion that the films show us for the first time the "real" face of China. Not artful propaganda for or against; not a tour of China's carefully selected show places; but the testimony of real people in real places, radiating a real confidence in the way their new society works. The films have been feted by one critic because they demonstrate a "perhaps unique ability to portray a way of thought as well as a way of life."

What they seem to me to demonstrate, with great respect to my last-quoted colleague, is the precise opposite: how a people have been schooled from childhood in a way of not thinking, or of thinking only along particular and well-oiled ideological lines.

Much play is made with the word "freedom" in the films. This is a society that has cast off the shackles of feudalism and found its own identity in social equality and co-operation. In fact what the films show us is how Maoism has set up a structure of "freedom" in China that, far from offering true liberty, offers what is essentially an ingenious system of safety valves. The film dwells particularly on the free flow of "criticism" between neighbouring ranks in the social hierarchy: how the worker on the factory floor can criticise his superiors (for not modernising the machinery or the work methods), how the army cadet can criticise his sergeant (for not being rigorous enough in training), how the schoolboy can criticise his teacher. By thus dissipating protest in small puffs of localised discontent, what Maoism actually ensures is that no protest gets up a sufficient head of steam to threaten to take the lid off the system as a whole.

What happens if a political protest does so threaten, Ivens and Loridan do not of course tell us. Other sources do. One

Marceline Loridan and Jores Ivens

recent estimate of China's population of political prisoners put the figure at 16m. And for the fact that political prisoners in China need not expect to enjoy five-star hospitality we have the vivid recent testimony of our own compatriots George Watt and Anthony Grey.

Ivens and Loridan tell us they received permission to visit any part of China they wanted, except for nuclear plants. Did they visit, or ask to visit, prisons and labour camps? If they did, none of their experience has survived on celluloid. Instead we have an endless gallery of indefatigably smiling peasant faces testifying to the improvement in their work conditions (in the factories they don't have to punch cards any longer, nor are they harrassed by time-and-motion supervisors), to the magical disappearance of personal and professional rivalries since the overthrow of capitalism, and to the long-awaited "liberation" of women: which appears, if these films are anything to go by, to consist solely of their being obliged to take the same jobs as men, thereby conveniently doubling the country's work force.

Oddly, or perhaps not so oddly, in a society which puts such a determined stress on altruism, neighbourliness and co-operation, there is not so far as I recall in the films a single mention of the word "love." One married woman, questioned as to what qualities she had looked for in her prospective husband, replies with brusque certainty "he had to be honest — and politically sound." An unromantic approach, not too startling perhaps in a society where love was once officially pronounced to be a "psychosomatic activity which cosumes energy and wastes time."

The alacrity with which Britain's armchair socialists have leaped to their feet to acclaim these films is astounding. Who would have thought there were in London, especially in the freedom-loving hearts of my fellow film critics, such unplumbed depths of enthusiasm for a society in which censorship flourishes as almost nowhere in the Western world; in which homosexuality, adultery and most other forms of extramarital sex are prisonable offences; in which there is no constitutional bar to imprisonment without trial; in which a person's early life is mapped out for him by the State almost from birth (including a compulsory period of "rustication," or farm work, after he leaves school); and in which there is virtually no freedom of movement in and out of the country, and precious little within it?

China has created a machine for social oppression as totalitarian as any in the world to-day: and it is fascinating to see how film critics who were quick to skywrite the moral of last month's film on Winifred Wagner—that acquiescence in totalitarianism is often as culpable as open support—are ready to turn the blindest eyes to the political enormities which prop up the skin-deep serenity of Chinese society as depicted in these films.

In fact, it is less than physical oppression on the part of the Maoist regime that depresses one than the ubiquitous evidence these films provide of cultural oppression: the carefully honed narrowness of its people's mental and emotional horizons. I heard more about the problems of improving factory production methods and about the "raising of one's political consciousness" (which is Maoist doublespeak for toeing the political line) than I ever wished to hear in a single lifetime. And less about any other subject that lay outside the sacred spheres of work and politics. The facts of China's spectacular growth to economic prosperity under Mao no one could deny. But as in all revolutionary movements, the danger of setting up a machine to unite people in a crisis is that the machine won't go away when the crisis is over. It stays there and tells you what to do (and for the most part what to think) when you no longer want, or need, to be told either.

Ivens and Loridan take the happy prattle of their interviewees and the merry whirr of the factory machinery and the endearing squabbles of the workers' groups at face value. And so will many filmgoers who see the films in London. The kind of pseudo-truth enshrined in these films is the kind that it is least easy to criticise, because it contains no outright lies. It is, in the words of the courtroom adage, Nothing but the Truth. Unfortunately, it is so far short of the Whole Truth as to present an almost unsalvageably distorted picture of its subject. The lies of omission crowd up around the screen's edges like baying hounds, and one can only heave a gentle sigh for the filmgoer who does not hear them, or who turns towards them a resolutely deaf ear.

New York ballet

After All

by DAVID VAUGHAN

John Curry has made it quite clear that he does not intend to stop at being the world's champion male figure skater; his aim is nothing less than the establishment of skating as an independent art form. London will soon see his "theatre of skating" show, and New York was given a preview at "Superskates III," a recent performance by "past, present, and future Olympians" at Madison Square Garden. In that vast arena, skating is usually seen as sport —ice-hockey—or popular entertainment—the Icecapades—but what Curry presented was altogether more austere, the first of a series of collaborations he plans with ballet and modern dance choreographers, *After All*, arranged for him by Twyla Tharp to a trumpet concerto by Albinoni.

The choice of Tharp was a brilliant one, since she could be relied on to discern precisely what qualities are peculiar to skating and to demonstrate and define those qualities rather than merely putting dance movements more or less clumsily on ice, as most skaters do when they attempt to be "artistic." Though the ballet-lover—and dancer—may admire and envy the ease with which skaters take off, turn around three times and land on balance in arabesque, they also are bound to notice how clunky the skaters' feet look in the air, how unstretched the knees, how ungainly the *port de bras*.

Curry's extraordinary gift is his combination of balletic form of great purity with the virtuoso skater's speed and ability to eat up space, so that one sees that the poetry of skating is in its serenity and the essential solitariness of the performer. Tharp used all these qualities, especially in the adagio where for long stretches Curry simply glided around the rink in an erect position, almost as though communing with himself. In the opening allegro Tharp exploited the skater's ability to make sudden changes of direction, swift accelerations, and multiple pirouettes with no apparent preparation, stopping on a dime, combined with such typically Tharpian motifs as twists and turns that spiral down the body and up again like the pattern on a barber's pole.

The audience adored *After All*, and not just because Tharp and Curry are two of the hottest things around just now—one felt that they got the point. Tharp's appearance in a duet with Baryshnikov at an American Ballet Theatre gala last summer might be thought an equally safe bet, yet it badly misfired. Any assumption that the duet was a mere throwaway, however, would be erroneous. Rather, it was apparently a manifestation at an interim stage of material she has been working on, which subsequently surfaced again in *Country Dancing*, given by her own company in Berlin, and then reappeared in what may or may not be its definitive form as a new work put on by the Joffrey Ballet in its recent season, under the title *Happily Ever After*.

Tharp's creative process, in other words, is not unlike that by which amoebic cells reproduce themselves: her word for it is "recycling." Her preoccupation with the material of her dances and with the continuing metamorphoses it undergoes—both within an individual work and as one work becomes another—marks her out as a deeply serious choreographer, a fact sometimes obscured by the sheer entertainment value of her pieces.

Happily Ever After, to invigorating country fiddle music, was certainly terrific entertainment. Like other choreographers, from Balanchine to Agnes de Mille, Tharp has drawn upon American folk dance, the square dances and clog dances that are still performed on Saturday nights in country regions of the United States; she has also incorporated "character" elements suggested by such social occasions and their locales, like the rivalry between women over the attentions of an eligible male, even the situation de Mille used in *Rodeo* of the tomboy who is on equal terms with the cowpokes —except that in Tharp she remains on equal terms, she does not have to "blossom" in feminine frills to get her man.

Tharp's new ballet, like *Deuce Coupe* and *Push Comes to Shove* (for American Ballet Theatre), is absolutely of to-day. It was superbly danced by herself (on opening night) and her company, by the four men from the Joffrey who supported Rose Marie Wright in the final section, and by Ann Marie de Angelo, who triumphantly carried out the seemingly impossible assignment of taking over Tharp's own solo.

For various reasons, people are becoming more keenly aware of the value of the American past, and this includes modern dancers, who for so long have made the rejection of even the immediate past a cardinal principle. None too soon, greater effort than ever before is being made to retrieve works from what is becoming known as the "classic modern dance." Annabelle Gamson, for instance, has learned dances by Isadora Duncan from Julia Levien, who danced with Anna and Irma Duncan. From these one may see that Duncan's most liberating and consequential discovery was her acknowledgment of the power of gravity, present even in her lyrical dances to Brahms and Chopin waltzes. One cannot help wondering if Fokin actually saw the 1905 dance to Chopin's A major Prelude, which with its drifting runs and listening gestures could be a sketch for his choreography of the same piece in *Les Sylphides*.

Another revelation was afforded by a recent programme, "The sprit of Denishawn," presented by Joyce Trisler's Danscompany, consisting of reconstructions of dances by Ruth St. Denis, Ted Shawn, and Doris Humphrey. The dances were charming, sometimes almost quaint—St. Denis's *Liebestraum*, movingly danced by Nancy Colahan, was considerably more than that—but the importance of the evening was as a living demonstration of dance history. One saw clearly, for instance, where much of Graham's movement, particularly for men, had its origin. Through such lessons as these, contemporary dancers and audiences can gain a real understanding of the nature of the revolution that began in the early years of this century.

John Curry

Rosemary Winckley

Wigmore Hall

El Maestro

by RONALD CRICHTON

This recital of music for voice and vihuela was named *El Maestro* after the sub-title of Luis Milan's collection of vihuela music, published at Valencia in 1536. It is one of seven printed volumes of the 16th century which contain what has survived of the extensive literature for the Spanish type of lute popular at the time of Philip II. Or nearly all—we were told during the evening that an eighth collection, in manuscript, has recently been unearthed in Spain.

Each of the seven printed volumes was the responsibility of *one* composer, and contains songs and instrumental pieces (fantasias, variations, dances) by the compiler or transcribed from other sources, not exclusively Spanish—Josquin's "Mille regrets" turns up in one book. The other compilers were Mudarra, Narvaez, Valderrabano, Fuenllana, Pisador and Daza—one or two of the names are known to those who haunt guitar recitals and other occasions where old music is performed.

The vihuela has six strings and an elongated body with a shallow in-curve, like a guitar that has changed its mind. Apparently few originals have survived (why? were they played to bits or victims of fits of Spanish destructiveness?). Barry Mason used two modern reconstructions, one plain, the other handsomely decorated, and varied them with a *four-string* guitar. He and the singer, Glenda Simpson, studied Renaissance music under David Munrow, from whom they have clearly learned that a basically serious approach is not incompatible with keen enjoyment and an ability to relate "old" music to the everyday life with which it was intimately connected.

Miss Simpson at first adopts that hooting quality cultivated by specialists in pre-classical music anxious to dissociate themselves from degenerate romantic excesses like vibrato. Fortunately, her normal voice soon takes over; clear, steady and accurately pitched. In the Wigmore Hall (pre-classical music is perhaps the only kind for which the Wigmore isn't preferable to the Purcell Room) she needs to do more with her words and to use a wider range of facial expression. There is no need to go to the length of some Lieder singers determined that no nuance of the verse shall escape un-mimed, yet continual demureness in the middle distance does become monotonous.

Mr. Mason was more consistently communicative, but he has a habit of ending pieces on an apologetic fade-out that is neither enlivening nor convincing. The programme-book contained useful information but was badly arranged, with the song translations too far from the notes. The spelling was ghastly — learning shouldn't breed ignorance. On the other hand, the modesty which confined the performers' names to small type on the last page might well be imitated by less gifted and sympathetic artists.

Three theatre casualties for Christmas

The ICA theatre, which announced its impending closure yesterday, is the third "fringe" theatre likely to shut this winter. The Theatre at New End is already dark, and its owners have put it on the market. The Square One in Edgware Road is to close, short of a miracle, when its current production, *In the Boom Boom Room*, finishes. The ICA is to close on December 24 at the end of the current programme.

All three have automatically laid the blame on the Arts Council. In the case of the New End and the Square One the accusation is hard to sustain; both theatres were opened without official consultation on the responsibility of the managements. If preliminary inquiries had been made from the Arts Council as to what degree of assistance might be expected, no doubt an appropriately chilling reply would have been received. As it happens, the respective records of these two houses are creditable in the highest degree; but it is hardly acceptable that theatres can be opened on spec and then expect public support when it turns out that the estimated revenue is inadequate. All right for the affluent 'sixties; beyond hope in the indigent 'seventies.

The case of the ICA is slightly different. The ICA, which received last year an Arts Council grant of £80,000, expects to be in what their theatre staff calls "a deficit situation" at the end of the year, a £24,000 situation. The Arts Council has told them that there is no more money to be had. Nor can they, since the Government habitually leaves until the last possible moment its news of the money available for the forthcoming year, tell the ICA what is available for 1977-78. The Council of the ICA has therefore decided to close the theatre and the New Gallery, the most vulnerable sections of the complex, to allow the rest of the ICA to survive. Artistic policy and politics are not involved, though naturally there are people who believe they are.

The rest of the ICA complex will remain open as usual. Meanwhile, the theatre staff has started a fighting fund to raise the sum of £2,500, which is what they require to keep the theatre open until at least the end of the financial year. The theatre's record, needless to say, is also a reputable one, and indeed there are creditable bookings well into the New Year, which will now presumably be at risk.

It is by no means improbable that more small theatres will go the same way in the forthcoming season of austerity. Some bigger ones, too.

B.A.Y.

Elizabeth Hall

Bournemouth Sinfonietta

by MAX LOPPERT

Eduard Melkus was the guest director and solo violinist of Wednesday's Bournemouth Sinfonietta concert. As well as leading (from the violin) performances of Mozart, Beethoven and Haydn imbued with a relaxed, pleasantly (but not excessively) Viennese kind of geniality, Mr. Melkus played Schumann's violin concerto. Having earlier read the Sinfonietta programme note on the work (with its talk of "formless movements"), he was moved, before it began, to offer a spirited verbal defence of the work's formal strengths — as well as of its melodic beauties. The performance, full of expansive romantic sweetness in the phrasing, was, however, insufficiently well-tuned and carefully co-ordinated with the orchestra to provide an uninterruptedly-strong argument for his case. (An odd feature was the way Mr. Melkus took much of the solo line — at least as recorded in the Schünemann performing version of the score—an octave higher, to sometimes strange effect.)

The Mozart was the early Serenade in C (K.208/214), the Beethoven the robust, delightfully earthy Mödlinger Dances. The Bournemouth orchestra is not a virtuoso band, and good will was often a substitute for mellifluousness; yet there was a naturalness about the playing infinitely preferable to heartless polish. The effect of player-director on the Haydn *Farewell* Symphony was to rob the music of some of its particular strangeness (what a strange and wonderful combination of wit, formal daring, and passionate feeling!) —but at the same time to give full expression to its melodic beauties.

Covent Garden

Makarova in Voluntaries

by CLEMENT CRISP

There are occasions in the theatre when the critic's words become more than unusually inadequate to convey anything but gratitude. Just so on Wednesday, when Natalya Makarova appeared for the first time in Glen Tetley's *Voluntaries*. The cheers that burst out before the curtain had fallen suggested how profoundly her performance had moved the audience, but faced with the matter of doing some sort of honour to her interpretation critical analysis becomes an act as unwise as it is difficult. To say that she brought the full force of a phenomenal physical presence to her role is to state the obvious about an artist uniquely gifted in illuminating whatever she touches.

In part, the grandeur of her reading, its dignity in grief, lies in her ability to dance at the very heart of a role; to focus her powers with an absolute sureness on the choreography. In part it is a matter of style: aristocracy of schooling allied to a sensitivity of phrasing, and complete technical command. These may seem the mechanics of interpretation, but on a first level of appreciation her reading of the central role in *Voluntaries* was glorious in its expansive legato—long paragraphs of dancing flowed seamlessly, beautifully on.

And colouring the dance, inspiring it, was the crucial image of the ballet itself which treats of sorrow and bereavement, and this Makarova understands—and understanding can show to us. Admirably partnered by David Wall (the casting was otherwise as at the ballet's Opera House première), Makarova seemed the embodiment of everything the ballet has to say. It was a performance of great and heart-stirring beauty, and words, other than immense gratitude, are mere words.

Art news in brief

As part of the celebrations for the Queen's Silver Jubilee next year, Southern Television is offering a £500 prize for the best hymn of thanksgiving commemorating the event.

It is planned to select 24 hymns to be broadcast in a series of programmes in spring 1977, with the six best hymns competing in the final programme. It is hoped that the winning hymn will be used in the Jubilee celebrations.

As well as a £500 first prize, there will be awards of £150 and £100 for the second and third winners. The closing date for entries is January 7, 1977. Entry forms and further details are available from: Jubilee Hymn Contest, Southern Television Limited, Southern Television Centre, Northam, Southampton, SO9 4YQ.

★

Genesis will reopen the Rainbow Theatre in London on New Year's Day. The band will play three nights at the Rainbow before embarking on their British and world tour. For the Rainbow and the tour, Genesis have a completely new show with a specially built stage and lighting effects.

The concerts on January 1 and January 3 begin at 5 p.m. and the concert on January 2 will start at 7 p.m.

★

Twenty-five years after the Festival which lifted Britain from post-war austerity, the V & A celebrates its remaining artifacts; the work of the people who planned and achieved it; and looks at its effect on Fifties design and architecture.

The exhibition, *A Tonic to the Nation*, which has drawn items from all over Britain, shows how the 1951 Festival of Britain began, how it was achieved, and how the whole country joined in producing this memorable event. An illuminated model of the Skylon towers over the central exhibition area, just as the real Skylon dominated the South Bank. Other items include a John Piper mural, a three-dimensional collage depicting British life, many products of Fifties design, and a wealth of photographic material.

EUROPEAN NEWS

Danish Government avoids collapse and freezes pay

BY HILARY BARNES — COPENHAGEN, Dec. 2.

THE MINORITY Social Democratic Government to-day succeeded in resolving the Parliamentary crisis which erupted last week as a result of a strike of oil and petrol lorry drivers, but was immediately faced with a forecast of recession and rising unemployment in 1977.

In order to stop the wave of unofficial strikes which has swept the country this autumn, the Government and four opposition parties have agreed to impose a three-month price freeze, a rent freeze, and they will pass a law invalidating any wage increases obtained as a result of unofficial strike action.

The measures are intended to prevent the collapse of the Government's incomes policy. This is designed to limit the increase in incomes in 1977 and 1978 to 6 per cent. a year. The policy will be implemented when new collective wage agreements are concluded in the spring, but the unofficial strikes this autumn, which culminated with the tanker drivers strike, have threatened to make nonsense of the incomes policy before it got off the ground.

The political crisis arose when the Government, and four smaller parties which normally support it, failed last week to agree on measures to stop the strikes. Under the pressure of the trade unions, the Government went back on an agreement which would have made unofficial strikers subject to fines in the civil courts, in addition to fines in the labour court.

The proposed price freeze will allow manufacturers to pass on increases in imported raw material costs, and half the increase in costs of imported semi-manufactures, but it will prevent them from passing on any wage increases which are not obtained in accordance with the current collective wage agreements. The price freeze and the other measures will receive their first reading this evening, and will be rushed through their second and third readings to-morrow.

Meanwhile, a gloomy forecast for 1977 by the chairmen of the Economic Advisory Council, in a report published here, states that the gross national product will rise by only 1 per cent. next year, after increasing by 5 per cent. this year, with private consumption also rising by only 1 per cent., housing investment falling by 25 per cent., other private investment rising by 2½ per cent., public sector investment by 3 per cent. and exports by 7 per cent. Commodity imports will rise by only 0.5 per cent., after an increase of 17 per cent. this year, and unemployment will rise from about 5¼ per cent. of the total labour force to 6½ per cent.

Although the forecasts for 1977 are dismal, looking over the period till 1980, the chairmen believe that, with unchanged economic policies, the country can reduce its rate of inflation from 8½ per cent. this year to about 3 per cent. by 1979, and cut the current balance of payments deficit from Kr.10bn. this year (about 4 per cent. of GNP) to about Kr.3bn. in 1979. They forecast that, over the period, the country will have an average GNP growth of 4 per cent. a year, and that unemployment will gradually fall to about 4 per cent. in 1980.

EEC food aid to Lebanon proposed

THE EEC Commission yesterday proposed that the EEC should send food aid worth more than 10m. units of account ($12m.) to Lebanon, Reuter reports from Brussels. A commission spokesman said the proposed aid would include 20,000 tonnes of cereals, 1,300 tonnes of skimmed milk powder and 1,600 tonnes of butter oil.

Left-wing queries Fiat deal

The sale to Libya of nearly 10 per cent. of the stock in Fiat SPA provoked Left-wing demands yesterday for a Parliamentary debate on the deal, AP-DJ reports from Rome. But the business community's confidence in the deal was demonstrated when Fiat stock jumped more than 20 per cent. to 2,100 Lire at the opening of the Milan Stock Exchange, and the Brokers Committee suspended trading.

No Paris papers

Paris will be without newspapers to-day as printing workers protest at an Appeals Court decision upholding an expulsion order against strikers occupying the printing plant of the daily paper, Parisien Libré, since March 1975, Reuter reports from Paris. The printers' union called the 24-hour strike and said it would stop the presses immediately should police try to expel Parisien Libré workers following last Tuesday's court ruling.

Dassault case

A Paris real estate agent, M. Jacques Fournet, was charged yesterday with conspiring to conceal the wereabouts of M. Jean Kay, alleged recipient of Frs.8m. ($1.6m.) embezzled last July from the millionaire aeroplane manufacturer M. Marcel Dassault, UPI reports from Paris. M. Fournet was released on bail after being charged. He is accused of flying to Piraeus, Greece, in October and attempting to obtain a yacht, which M. Kay had ordered in August.

Changes in Poland coincide with ambitious new plan

BY CHRISTOPHER BOBINSKI — WARSAW, Dec. 2.

IT WAS revealed here to-day, that Mr. Stefan Olszowoski, the Foreign Minister, and Mr. Alojzy Karkoszka, vice-premier responsible for industry, were to leave the Government and return to the party aparatus as Secretaries of the Central Committee. The new Foreign Minister, official sources state, is to be Mr. Emil Wojtaszek, at present Minister of the Environment, but at one time vice-minister in the Ministry of Foreign Affairs.

The decisions come with the close of the fifth plenum of the Central Committee, and a session of the Polish parliament sitting to-day to discuss the new five-year plan. At the session, Premier Mr. Piotr Aroszewiczie presented the new plan which will run till 1980, in which growth in national income should be 40 to 42 per cent., and industrial production should rise by 48 to 50 per cent. Agricultural production will rise by 16 to 19 per cent., as one of the aims is to import only 3m. tons of grain by 1980, as opposed to 8m. tons of grain and seed imports needed this year. The new plan devotes a quarter of the national income to investments, as opposed to one third in 1971-1975.

It is thought that to-day's parliamentary session will bring further personnel changes. Warsaw party organisation First Secretary Mr. Jozef Kepa, Central Committee Secretary responsible for the economy, Mr. Jan Szydlak, and first deputy chairman of the planning committee, Mr. Kazimierz Secomski, will all become deputy premiers, and thus the first two will leave the party apparatus. The Minister of Chemical Industries, Mr. Maciej Wirowski, will take Mr. Secomski's place, and Miss Maria Milczarek will become Minister of the Environment. Mr. Jerzy Gawrysiak will lead the Ministry of Internal Trade.

The full account of Mr. Edward Giereks' plenum speech yesterday shows him re-assuring Poland's private farmers that their holdings are secure, a belief which has recently been undermined by the practice in many areas of secretaries of local authorities refusing to sell state land to private farmers. As for the workers, he said "we want the trade unions to become real representatives of the workers' interests," and that the unions should "know people's moods and be able to mould them."

Some anxiety has been raised by the Polish leader's reference to right-wing West German circles who "cultivate dreams of returning to our Polish land." This unusual return by the Polish leader to the language of the 1960s would suggest that the need for some kind of traditional scapegoat is becoming apparent.

Speeches at the plenum revealed no clear line as to what is to be done, although many speakers showed that they are aware of the problems of convincing people of the achievements of the past six years, while shortages are still apparent. One from the Poznan Cegielski works said that getting people to undertake additional production tasks, in honour of the forthcoming trade union congress, took place in a difficult climate. The Lodz first secretary, Mr. B. Koperski, said that the talks the party was having with workers, in which no subject was taboo, were fruitful but, "as we all know, not easy."

Tension remains as Hillery is installed

By Giles Merritt — DUBLIN, Dec. 2.

THE INAUGURATION tomorrow of Ireland's sixth President, Dr. Patrick Hillery, will be a quiet and decorous affair. But underlying the pomp of an ecumenical religious service and the ceremony of a trumpet fanfare and 21-gun salute at Dublin Castle, there remains political controversy and tension.

The Irish tricolour will fly from all state buildings, and the Government will host a reception in Dr. Hillery's honour, but the attitude of Mr. Liam Cosgrave's Fine Gael-Labour Government to the new head of state shows icy politeness more than patriotic warmth.

Dr. Hillery, the opposition Fianna-Fail party's candidate, was "elected" to the Presidency without any poll being held because the Government chose to avoid putting up a candidate, for fear of further aggravating the row triggered by Mr. O Dalaigh's walkout. To rub salt in the wound, Dr. Hillery was, until this week, Ireland's "outgoing" EEC Commisisoner, the Government having decided earlier in the year to sack him from the post.

Traditionally, the office of Irish head of state has been a figure-head job, modelled to some extent on the British monarchy. But Mr. O Dalaigh's departure centred around the question of Presidential prerogatives—specifically on his constitutional powers concerning new anti-terrorist legislation—and there is every reason to suppose that Dr. Hillery will approach the position with the same determination to restore its full authority. He is already reported to have demanded the restoration of regular monthly briefings by Mr. Cosgrave, a practice which had been dropped, and it is not yet known whether agreement has been reached on that point.

Portugal Socialists hold firm

BY PAUL ELLMAN — LISBON, Dec. 2.

THE RULING SOCIALIST Party in Portugal to-day appeared to have gained a significant victory over the Communists in the battle over land reform in the Alentejo region. The Communists were showing all the signs of temporary political concussion, following the announcement yesterday by the Agriculture Minister, Sr. Antonio Barreto, that he was suspending state credits to co-operative farms.

Suspension came in direct retaliation for sieges which the Communist-dominated Farmworkers' Union has organised of farms which have been returned to dispossessed former owners. For the first time in a month, the front page of the Communist party newspaper O Diario was not dominated to-day by a leading article accusing the Government of trying to destroy the Agrarian reform programme.

In a story tucked away at the bottom of the back page, the party's daily reported that the mobs besieging the four farms affected in the Alentejo had been reduced to nominal pickets, and that a delegation of workers was coming from the area to Lisbon to seek clarification of the situation from Government officials.

The Communist leadership has found itself temporarily outmanoeuvred by the Socialists, although there is still no guarantee that it will not retaliate by wielding its industrial union power in the run-up to the crucial local elections scheduled for December 12.

To emphasise its determination to meet the Communist challenge, the Government has reinforced National Guardsmen in the Alentejo with armoured Land Rovers, while Army helicopters have been deployed in a show of force over the co-operatives whose workers have provided the demonstrators against Government policy.

W. German new orders drop 3%

BY ADRIAN DICKS — BONN, Dec. 2.

WEST GERMAN industrial production rose in October by a seasonally adjusted 2 per cent. from the September level, but new orders fell by 3 per cent.

Against this background, the Economic Ministers of the 11 States, meeting here to-day, came down in favour of policies to underpin longer-term growth of the type suggested to the Federal Government last week by its panel of independent economic advisers.

The production figures showed a generally favourable picture during October. Output by consumer goods industries increased by 3.5 per cent. and that of capital equipment industries by 3 per cent. Basic and semi-finished goods production was down by 1 per cent., but the chronically sluggish building industry showed a 2 per cent. rise.

On a two-monthly comparison, the September-October figures also showed a 2.5 per cent. increase in total production on July-August, while there was a gain of 9 per cent. on September-October last year.

In spite of this evidence of continuing advance, the growing debate on whether time has come for some degree of stimulus to be provided to the economy is likely to be influenced more by the declining trend in new orders (a finding that tends to support the rather gloomy survey of the state of business confidence published by the Ifo institute earlier this week).

The slowdown in new orders affected all major industrial sectors during October, the Economics Ministry reported to-day.

The unanimous support given to-day by the state ministers to the proposals of the "five wise men" in[illegible]ses significantly the number [illegible]d importance of the voices now openly disagreeing with the Social Democratic-Free Democratic Cabinet's official judgment that no stimulus is needed to safeguard the gradually decelerating West German economic recovery.

Gaullists name Paris candidate

BY DAVID CURRY — PARIS, Dec. 2.

THE INCREASING hostility to the policies of President Giscard d'Estaing from the Gaullists, who form the largest component of the ruling coalition in France, has flared into open revolt over the emotive issue of nominating a candidate for the mayoralty of Paris.

Rather than give his blessing to one of the men from the Gaullists or his own independent Republican Party already deeply engaged in the affairs of the capital, Giscard has nominated a personal and political friend, Count Michel d'Ornano, the Minister of Industry, whose municipal experience is confined to 16 years as mayor of the Normandy resort town of Deauville.

After three weeks of brooding over their injuries, the Gaullists have now announced their own candidate for the job, in the shape of Christian de la Malene, who is in charge of the Paris budget, is an orthodox UDR member of Parliament, and is head of the Gaullist delegation to the European Parliament.

Control of Paris will be the chief prize to be won in the municipal elections next March, the more so because for the first time the Paris council will enjoy the same powers as other city councils in France. Till now it has played a very subordinate role, with real power being exercised by the local prefect.

At the moment the Gaullists, are the largest group on the council, having 38 members, with the Giscardiens and centre holding some 22. Relations between the two groups are no more than polite.

This week-end the Gaullist constituent assembly meets to change the character and name of the party and to crown the ex-Premier M. Jacques Chirac as party chairman. Commentators are wondering whether they will harden their opposition to direct elections to the European Parliament, and reform of the IMF statutes—the other two big issues on which they find themselves at loggerheads with Giscard.

The betting is marginally that it will not. M. Chirac has shown signs of recognising that he is condemned to co-operate with the Giscardiers to stop the union of the Left having a clear run to power.

The Financial Times, published daily except Sundays and holidays. U.S. subscriptions $167.00 (air freight) $134.00 (air mail) per annum. Second class postage paid at New York, N.Y.

Zhivkov seeks Soviet aid

BY PAUL LENDVAI — VIENNA, Dec. 2.

BULGARIA'S REQUEST for more Soviet aid, and Soviet policy in the Balkans, are likely to be the main subjects during the Bulgarian-Soviet talks in Moscow, according to Yugoslav sources.

Bulgarian President and party leader, Mr. Todor Zhivkov, flew without prior announcement to Moscow to-day.

Faced with a growing burden of servicing a foreign debt, now rumoured to be more than $2bn., Bulgaria needs more Soviet assistance to finance its ambitous 1976-80 five-year plan. As the growth rate of the national income is expected to be 8.4 per cent. a year, the pace of Bulgarian economic expansion will depend on the degree of Soviet aid. The Soviet Union accounts for 55 per cent. of Bulgarian foreign trade.

The USSR helped to finance the construction of 120 plants during the past five years. Bulgaria sent 7,00 0workers, who are engaged in the timber and pipeline construction industries to the Soviet Union.

It is also understood that the Bulgarians are keenly interested in the result of Mr. Brezhnev's recent talks with the Yugoslav and Romanian leaders. The Yugoslav side is reliably reported to have brought u pthe matter of disputed Mecedonia.

EUROPEAN NEWS

Spanish PM is faced by test over Communists

BY ROGER MATTHEWS MADRID, Dec. 2.

PRIME MINISTER Sr. Adolfo Suarez to-day contemplated his response to the challenge of negotiations with the Communist Party thrown down in a united opposition statement last night. At the same time, the Spanish Press claimed that the Soviet Union had started manoeuvring to keep Spain out of Nato, a prize of western respectability long sought by Madrid.

The immediate domestic test for Sr. Suarez's democratic intentions came with the swift agreement among a wide range of opposition parties to select a ten-man team to negotiate with him on the guarantees they require for the December 15 referendum, and for the general elections promised for before next summer. The ten, to be named at the week-end, will include a Liberal, a Social Democrat, a Christian Democrat, two Socialists, a Communist, a representative from each of the regions of Catalonia, the Basque provinces, and Calicia, plus a trade unionist. Sr. Suarez indicated at a meeting with Christian Democrats earlier this week that he would be prepared to meet a negotiating team.

However, the selection of a Communist as one of the team poses serious problems, because the Government is still stating that there is no question of the Communist Party being legalised. All the other parties to be represented are what the Government describes as "able to be legalised." Whether the opposition would be prepared to go ahead with the talks, if the Premier turned down the presence of a Communist is questionable.

Sr. Suarez is understood to be in no rush to begin the negotiations, as the referendum on constitutional reform is now less than a fortnight away. Although the Government has now said that it is not illegal to campaign for abstentions, police are still arresting people giving out anti-referendum literature.

To-day's accusations against the USSR spring from what the Press here claims to be a Warsaw Pact proposal to Nato that membership of the respective organisations should be limited to the present numbers. This is seen here as a clear attempt to keep out Spain.

In another important development, Gen. de Santiago and Gen. Iniesta Cano have both said that disciplinary proceedings against them have been dropped. The Government was starting action against both these noted right-wingers for their political activities, following a row over political reform.

Tindemans under pressure

BY DAVID BUCHAN BRUSSELS, Dec. 2.

HARD on the heels of the rebuff given his ill-starred report on European union at The Hague summit, Mr. Leo Tindemans, the Belgian Prime Minister, has returned home to mounting speculation that he may be forced into early elections.

The current bout of election fever coincides most awkwardly with continued failure among Government, unions and employers to agree on what should replace Belgium's present array of wage, rent and dividend restraints that expires on December 31, and with the start of a major series of devolution talks.

The immediate problem is a quarrel—simmering for some time, but brought to a head last week—between the French-speaking parties in the ruling coalition that has led to demands that Mr. Tindemans reshuffle his Cabinet or see his Government fall. Three prominent members (one Minister and two state secretaries) of the Rassemblement Wallon (RW) have withdrawn from the party, saying it was turning too much to the Left, and have joined the Walloon Liberals to form a new party. This has left the RW with only one state secretary and the new party with an extra three.

Yesterday he said his Government would await its fate in Parliament. With his coalition well into its third year (no mean feat by Belgian standards) he has said he would rather go to the polls than attempt another major reshuffle—bringing in perhaps the Socialists, the biggest party in opposition. But he seems likely to wait for the RW to clarify its position at their party congress on Saturday.

The need for Government stability is currently underlined by the so-called "community dialogue" which started on Tuesday and is scheduled to take up every Tuesday in the foreseeable future. These talks, with 36 representatives from all ten of Belgium's political parties, are designed to tackle once again the old nightmare of the country's French-Flemish divisions.

The talks got off to a poor start this week, with most of the politicians looking over their shoulders to assess the readiness of the rank and file for a sudden election.

Libya may buy into other Italian companies

By Godfrey Grima

VALLETTA, Dec. 2.

LIBYA'S purchase of a 9.6 per cent. stake in the Fiat group may be followed by negotiations with other Italian companies.

Tripoli is understood to be interested in investments which hold out the prospect of greater Italian collaboration in industrial projects in Libya, according to Libyan officials. In this connection the Fiat deal was probably clinched by the company's agreement two weeks ago to construct a lorry and bus assembly plant at Tajoura near the Libyan capital.

Italian diplomats involved in the negotiations on the project were not informed about the merger talks which took place in Rome between the Libyan Arab Foreign Bank (LAFB) and Fiat executives. Meanwhile, Libyan officials and Italian diplomats in Tripoli contacted from here to-day confirmed that the original approach had been made by the LAFB.

Richard Johns writes: The purchase of the shareholding in Fiat indicates a recovery in the Libyan Government's financial situation following a period earlier this year when it appeared to be suffering from liquidity problems. In the first half of 1976 the Government was reported by contractors and consultants to be defaulting on payments obligations (although administrative inefficiency may have been a factor).

Since then there has evidently been a recovery which has also been reflected in the rcovery of its reserves as recorded by the IMF. International liquidity amounted to $2.49bn. at the end of July having slumped from $3.61bn. to $2.19bn. in the course of 1975.

Th's series of figures accounts for the bulk—if not all—of the Government's foreign assets including the shorter-term bonds known to have been bought on its behalf by the LAFB.

Shares rise Page 29

Seveso given first payment

MILAN, Dec. 2.

THE SWISS-BASED Givaudan Company to-day delivered to the regional junta of Lombardy L2bn. to finance payment of damages caused at nearby Seveso by a poisonous cloud of dioxine spread from the Icmesa firm, a Givaudan subsidiary.

A spokesman for the reg'onal body pointed out the cash given by Givaudan represented a modest share of the damages caused by the dioxine, which were estimated at more than L40bn.

The highly-toxic dioxine, which spread from Icmesa after an explosion last July, severely polluted an area of 300 hectares at Seveso forcing the evacuation of 800 persons.

AP-DJ

An anti-communist force is straining Italy's fragile political balance. **Anthony Robinson** reports on . . .

A maverick in Milan

CAN ITALY afford an anti-communist crusade by a new grouping of right-wing radicals inside the Christian Democrat Party at a time when survival of the minority Christian Democrat government of Sig. Giulio Andreotti depends on the abstention of all parties, including the Communists, in parliament and when economic stabilisation depends on the close co-operation of the trade unions?

This question has been provoked by the emergence in Milan of a new grouping of young radical anti-communist Christian Democrats who last week secured control of the city's party machine.

It is led by a 37-year-old Milanese lawyer, Sig. Massimo de Carolis, who followed up his victory with a series of outspoken newspaper interviews: He criticised the present party leadership, under Party Secretary Benigno Zaccagnini, as being "provincial" and out of touch with the times and proclaimed the inevitability of a frontal conflict between Italy's two major parties—the Communists and the Christian Democrats.

He and his followers have been denounced as irresponsible by most of the party's establishment and a group of 20 Christian Democrat Deputies have proposed a censure motion at the party's next executive meeting on Friday.

Is Italy witnessing a predictable right-wing reaction destined to halt the seemingly inexorable progress of the Communist Party towards formal entry into the government or an impetuous, emotional outburst which might end up by weakening the Christian Democrats still further?

These are some of the questions now being asked in Italian political circles. But the first question is who is Sig. de Carolis and what does he represent?

Sig. de Carolis is not a newcomer to the political scene. He first achieved notoriety when he mobilised Milan's so called "silent majority" in a series of protest marches against the new power which the unions and left wing political parties obtained in the aftermath of the 1969 "hot autumn" of labour and student discontent.

It was a movement fully backed by Il Giornale Nuovo, a radically anti-Communist daily newspaper founded in 1973 by veteran Italian journalist Indro Montanelli, who, with the discrete financial backing of Montedison and other industrial and financial interests, broke away in dissent from the more open liberal line of Milan's leading daily, Corriere Della Sera, and set up the rival paper.

At the last general election Sig. Montanelli's famous advice to the electorate was: stuff your ears and screw up your nose—but still vote Christian Democrat as they are the only bulwark against Communism. Naturally enough, Sig. de Carolis is one of the paper's heroes and its support helped him to pick up no fewer than 155,000 preference votes, which launched him on a parliamentary career in grand style.

Sig. de Caroli's links with the media are significant. A large part of his strength derives from his ability to simplify and express his ideas clearly. There are not many Italian politicians one can say that about.

He admires American promotional techniques and is on the constant look-out for clearly recognisable "messages" which encapsulate his position. One of the most successful of these, which established him as an enemy of the Left, followed an assault on his lawyer's office in downtown Milan just before the local and regional elections last year.

Armed guerillas of the so-called "Red Brigades" burst in, spray-painted their red star trade mark on the wall and shot Sig. de Carolis in the leg, inflicting a minor flesh wound. The next day papers were full of pictures of him in a hospital bed, obviously in pain but still bravely smiling at the cameras.

He won a massive personal victory in the local elections. When this correspondent went along to see Sig. de Carolis some months later the red star was still prominently painted on the wall, but that, as he explained with a deprecating smile, was because he intended moving office soon and it seemed a waste to redecorate.

It would be tempting to dismiss Sig. de Carolis as a highly active, publicity conscious but essentially lightweight young man with the neatly cropped hair, blue eyes and flashing smile of the up-and-coming political executive, ambitious beyond his weight.

This is what many of the established Christian Democrat party bosses are saying in public right now, adding that he is not really a Christian Democrat anyway.

But Sig. de Carolis does not believe in playing by the accepted rules. His political heroes have nothing in common with the usual politico-cultural baggage of Italian politicians.

They are General Kutesov, the Russian who burnt Moscow before the entry of Napoleon, Franz Josef Strauss, who has just split the West German Christian Democrat Party in order to run a nationwide anti-socialist campaign, and Jimmy Carter, who put together a new coalition and won the Presidency through by-passing and then conquering his own party. Can such a man be taken seriously? Perhaps not.

But there are grounds for arguing that Sig. de Carolis and his political friends, like the young Martini and Rossi drinks heir, Sig. Luigi Rossi di Montelera in Turin, represent a major challenge not only to the Christian Democrat party as it is but also to the future shape of Italian politics.

What has he actually done so far to justify this sweeping remark? In the first place, he has just won control over his own Christian Democrat Party apparatus in Milan by putting together a coalition of unabashed radical anti-communists like himself, plus anti-communist left-wing factions and a rather mystical Catholic revival group called Comunione E Liberazione.

In so doing he has broken the already tottering power of the coalition led by the Doroteo faction, which formerly controlled the city and of which he was once a member.

So now Sig. de Carolis has behind him Il Giornale (plus the private television station Tele Montecarlo, which is also controlled by Sig. Montanelli and beams regularly into northern Italy), 155,000 personal reference votes and control of the Milan party machine. Not a bad power base to start from.

It can also be argued Sig. de Carolis and his men have sensed which way the political wind is about to blow in a country which has seen a massive advance by the Communist Party and is suffering from an economic crisis which is likely to deepen before getting better.

As he put it in a recent newspaper interview: "Politics is not going to be the polite discussion of formulas if the Lira falls to 1,200 to the dollar (it is currently around 865 and carefully defended by import deposits and a currency surcharge) in a country short of food and in the dark."

What is he making here — an irresponsible call to political extremism, as most of the traditional leaders of his own party and the Left claim, or a chilling forewarning of the Chilean type confrontation which might arise if present attempts at political compromise and economic stabilisation fail?

This kind of language is highly provocative under the present circumstances, with Prime Minister Andreotti's Government dependent for its survival on the abstention of all the so-called constitutional parties, from the Liberals through to the Communists.

The Government is also based on a compromise which broke down the conventional exclusion of the Communist Party from the Chairmanship of the parliamentary institutions and the parliamentary committees. A Communist, Sig. Pietro Ingrao, is now "Speaker" of the Chamber of Deputies and seven out of 22 parliamentary committees are chaired by Communists.

At the same time the success of the Government's austerity economic measures depend on co-operation from the Left-wing parties and the success of the current Confindustria-trade union talks on ways and means of raising productivity and reducing unit costs of production.

Against this argument, that continuation of the present spirit of compromise is vital to get Italy out of its impasse, Sig. de Carolis and his supporters maintain that ultimately only the Communist Party will benefit as the idea of an "historic compromise" is increasingly translated into practice.

The "New Right" argues that a head-on clash between Christian Democrats and Communists is inevitable, and better sooner than later.

Many of the votes gained by Sig. de Carolis do not come from the traditional Christian Democrat area. He was one of those Christian Democrat "new faces" who appealed across the party line to generally conservative voters who formerly gave their vote to the Liberal, Social Democrat or even neo-fascist MSI parties.

The so far unanswered question is whether Sig. de Carolis and friends intend to push their anti-communist, frontal assault to the point of a break with the traditional party or work as a pressure group to influence the party as a whole.

Sig. de Carolis' leaning towards Herr Strauss implies that the former hypothesis is not completely absent from his mind.

ROME, Dec. 2.

A PARLIAMENTARY Commission to-day added fraud to the list of preliminary accusations against two former Defence Ministers in connection with the Lockheed Aircraft Corpn. payments probe.

The Commission decided yesterday on preliminary charges of corruption against former Premier Mariano Rumor and the two Defence Ministers—Christian Democrat Luigi Gui and Social Democrat Mario Tanassi. AP-DJ

Union says federal aid vital for NY rescue

By Jay Palmer

NEW YORK, Dec. 2.

NEW YORK City's largest single municipal union has categorically stated that it will not participate in any new plan to rescue the city from its renewed financial crisis unless the plan includes some form of immediate extra aid from the Federal Governmtnt.

This move by Mr. Victor Gotbaum, head of the local Federation of State, County and Municipal Employees Union, comes at a time when city and state leaders have been trying to raise the extra cash that the city needs without going to Washington.

At the same time, the city's largest creditor banks, which together with the unions would have to provide the lion's share of the $1bn. the city requires to pay off short term debts, are continuing to quietly insist that they cannot provide much more aid.

The city's latest financial problems flared up last month when New York state's highest court rejected as unconstitutional the city's year-old moratorium on its short-term debts. Subsequently the city agreed to find $1bn. by the middle of this month to pay off city debt held by private investors.

Although it is generally conceded that increased federal aid may be the only logical solution to the crisis, officials here have been trying to avoid giving the impression of immediately running to Washington. Certainly there is a consensus that other solutions ought to be tried first, and that any Washington approach should be deferred until Mr. Carter takes over as President.

To-day Mr. Victor Gotbaum rejected such delaying tactics. "We elected," he said "a President who claimed 'I want to help I'm pledged to help, I'm ready to help' and now we act like we are paralysed."

Strategic oil reserves

A Federal Energy Official said yesterday that the U.S. may have 500m. barrels fo oil stored underground by 1982 to combat a possible new Arab oil embargo, UPI reports from Washington. Mr. Thomas Noel, the Federal Energy Administration's assistant administrator for the Strategic Petroleum Reserve Office, said that the oil reserves would offset six months worth of import from Arab nations.

Soviets say they are keen to avoid crisis with Carter

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 2.

MR. LEONID BREZHNEV, the Soviet leader, his privately assured Mr. Jimmy Carter, the U.S. President-elect, that the Russians "will go out of their way to avoid any crisis in the early days of the new Carter administration.

According to Mr. Jody Powell, Mr. Carter's Press Secretary, in a television interview this morning, this message had been conveyed privately to Mr. Carter by more than one channel, including that of Mr. William Simon, the U.S. Treasury Secretary, who was in Moscow earlier this week.

Mr. Simon had reported that Mr. Brezhnev had told him that he was aware of reports that he might try to test Mr. Carter's mettle when he assumed office, much as Mr. Kruschev had pushed President Kennedy, also then something of an unknown quantity, in the early 1960s.

But Mr. Brezhnev, who had canveyed a similar message via Mr. Averell Harriman recently, was at pains to stress that he had no such intention, Mr. Powell said. Mr. Carter, he went on, was very appreciative of Mr. Brezhnev's gesture and had presumably replied accordingly.

On Tuesday, in a speech in Moscow, Mr. Brezhnev had urged Mr. Carter to push for a new strategic arms limitation agreement. "We believe," Mr. Brezhnev had said, "it is high time to put an end to the freeze imposed on this question by Washington almost a year ago."

Mr. Brezhnev had also taken the opportunity of Mr. Simon's visit to urge that the U.S. abandan its policy of tying more favourable trading treatment of the Soviet Union to a more liberal Russian attitude towards the emigration of Jews.

It is, of course, far too early to say whether Mr. Carter will be inclined to respond to the Soviet overtures. He is still consumed with the task of choosing his new Government's senior members and is endeavouring not to introdue too much into the affairs of State while President Ford remains in office (with the occasional exception of statements on, for example, the recent steel price increase.)

Nonetheless, it is perhaps significant that Mr. Carter's transition team has asked the State Department for 40 study paper on a wide range of foreign policy issues, but with particular emphasis on the SALT negotiations with the Soviet Union.

Some interest was raised yesterday when it was disclosed that Mr. Cyrus Vance, the former Undersecretary of Defence and diplomatic troubleshooter, turned up, unannounced, in Plains, Georgia. Mr. Vance, of course, is considered a possible Secretary of State.

Mr. Powell suggested that Mr. Carter might address himself to *this appointment when he holds* a Press conference in Plains tomorrow. But it seems more likely that if any appointments are announced to-morrow, they will be for the senior economic positions: it is thought possible that the President-Elect will indicate which job Mr. Bert Lance, the Atlanta banker, will get.

On television this morning, Mr. Powell intimated that the most likely course of events would be for Mr. Carter to name the economic jobs first, perhaps all in one go, and those positions in the foreign affairs field later. Mr. Carter spent yesterday closeted with 16 leading economic advisers, from whom he probably will make his selections.

Lopez greeted with enthusiasm

BY ALAN RIDING

MEXICO CITY, Dec. 2.

MEXICAN BUSINESSMEN and foreign bankers to-day reacted with unabashed enthusiasm and optimism to President Jose Lopez Portillo's inaugural address yesterday in which he called on the private sector to invest and produce in order to export and create jobs.

Despite the new president's announced plan for a tax reform to strike at the very wealthy, conservatives were delighted by the moderate and direct tone of Senor Lopez Portillo's 103-minute speech.

With isolated exceptions, notably Education Minister Porfirio Munoz Ledo, the Mexican private sector also seems satisfied with the composition of the cabinet, considering it competent and technocrat in its orientation.

Reflecting the surge of confidence, much of it sheer relief at the departure of Senor Luis Echeverria, the Mexican peso today gained against the dollar, being quoted at 22 pesos compared with 28.50 pesos just ten days ago.

In contrast, Left-wing organisations felt that the new cabinet and Senor Lopez Portillo's speech seemed to presage tighter controls over worker and peasant movements.

The first tests of the new president's strength and ideology will be the current confrontation between landless peasants and private farmers in north-west Mexico and the nation-wide wage increase that President Echeverria promised for January 1 before he left office.

Korea finances clue

BY DAVID BELL

WASHINGTON, Dec. 2.

THE senior agent of the Korean CIA who is now helping the FBI into its investigation of Korean links with U.S. Congressmen has told friends that he was in charge of the financial records kept by the embassy.

According to reports here to-day Mr. Edward Levi the Attorney General has now been fully briefed on the circumstances surrounding the investigation and FBI agents are elated that Mr. Kim Sang Keun, the man who has defected is in a position to tell them so much.

Meanwhile, 12 members of the House of Representatives to-day asked the House Ethics Committee to investigate the reports that an undisclosed number of congressmen have accepted cash and other gifts from Korean lobbyists over the past five years.

In their letter the 12 congressmen noted that one of the tragedies of Watergate was the effort to try to cover up and downplay the actions even after it had been brought to the attention of the public. However, Rep. Donald Fraser, whose international Relations Sub-Committee first focused attention on the Korean links, was quoted to-day as saying this case has received so much publicity that the public would think it outrageous for Congress not to investigate.

Cuba instals National Assembly

Cuba yesterday celebrated the twentieth anniversary of the landing of Prime Minister Fidel Castro's guerilla force by parading Soviet-built weapons in Revolution Square and installing the National Assembly, its first since the 1959 revolution.

The two-day Assembly session marks the final step of an overhaul of the administration approved a year ago by the first Congress of the Communist Party. The new system is intended to instil democracy within the one-party state and to decentralise and improve the efficiency of the State apparatus.

The military parade was expected to be the largest ever held in Cuba. Troops recently back from Angola were expected to take part, along with tanks, heavy artillery and ground-to-air missiles.

Transcanada Pipelines rate up by 4.5%

Transcanada Pipelines has been authorised to increase its average gas transportation charges by 4.5 per cent. from the Alberta border to eastern Ontario and Quebec, AP-DJ reports from Ottawa. The new charge will be 45.272 cents pr 1m. British thermal units, effective January 1, up from the current levels of 43.304 cents. The new transportation charges wer authorised by the National Energy Board, a federal regulatory agency.

UN call on Falklands

The U.N. General Assembly has endorsed a resolution asking Britain and Argentina to expedite negotiations to resolve their dispute over the Falkland Islands (Malvinas), a British colony claimed by Argentina, Reuter reports from New York.

Bahamas budget

Finance Minister Arthur Hanna told Parliament yesterday that the Bahamas Government planned to spend $156.3m. next year, $10m. more than this year, Reuter reports from Nassau. The principal items in his budget were education ($38.2m.), health ($22.3m.), law enforcement ($15.7m.), tourism ($10.5m.), and debt servicing ($12.4m.). Mr. Hanna said that the Government's chief accomplishment this year was its action to deal with a chronic water shortage in Nassau. The first phase of a $32m. barrage project to supply 6m. gallons of water a day by 1978 was opened on Monday.

Belize negotiations

Britain, in close consultation with the Government of Belize, should continue negotiations with Guatemala over the political future of the disputed British colony, the UN General Assembly has said, Reuter reports. Guatemala's claim to the territory, previously known as British Honduras, has delayed British moves to grant it independence.

U.S. STEEL PRICES

Blow to recovery

BY JAY PALMER IN NEW YORK

WHEN SIX of America's larger steel companies announced that they would very shortly increase their prices for certain steels, there seemed a fair chance that the increases would not stand up. The industry as a whole is arguably in such bad shape that the very largest companies, opting for volume rather than dollar growth, would hold prices and thus force the increase to be postponed, cancelled or discounted out of existence.

But last Monday, the real industry giants all unexpectedly decided to follow suit. Within a matter of hours, U.S. Steel, Bethlehem and Republic, which between them account for over half total industry production, all said that they too will lift prices of the same steels by the same 6 per cent.

The higher prices, which came into effect for new orders booked on or after December 1, and average between $15 to $20 a ton, apply only to sheet and strip steels, commonly called "flat-rolled" steels. These, which account for only about a third of total industry production, go primarily to make cars and consumer appliances.

The decision to lift prices in the middle of a "pause" in the U.S. economic recovery has caused a good deal of concern in Washington. President Ford has asked the Council on Wage and Price Stability to prepare a report on the increase, while President-elect Jimmy Carter, obviously worried about the effects of the move on 1977 consumer prices, has publicly asked the steelmakers to reconsider. The possibility that the Government will try to force a price rollback is still a real one.

Vividly remembering their dramatic confrontation with President Kennedy over this same issue in the early 1960s, the steelmakers are now preparing for a bitter fight which, this time, they do not intend to lose. They claim that the profit margins on flat-rolled steels are the lowest in the industry and that the increase is essential, fair and justified.

They argue that the price for these steels have lagged behind all other sectors since President Nixon's price freeze. Since 1971, some companies claim the price of heavier steels in general has risen by between 77 and 100 per cent., as opposed to a mere 64 per cent. for flat-rolled. Meanwhile, the cost of making flat-rolled steel is said to have risen by 30 per cent. since the summer of 1974 while prices have only climbed 12 per cent.

At the same time, there can be little doubt that this increase will work through to consumer prices sometime early in the new year. The car companies are already claiming that average vehicle prices will have to go up at least $25. General Electric, one of the leading appliance makers, takes an almost equally pessimistic view.

But whatever, the ultimate impact of the increase on the economy, and indeed however well founded the industry's claim that it needs the rise, there still remains a good deal of mystery as to why the companies chose this particular moment to increase prices. After a good start to the year, forecasters are now revising downwards earlier guesses at total annual shipments.

According to the American Iron and Steel Institute, an industry trade body, latest weekly shipment levels are close to an 11-month low, while under 75 per cent. of available production capacity is now utilised. Although total shipments for the first 11 months of this year were 12 per cent. up on 1975, this was really not much of a gain considering last year was the worst for the industry since 1963.

Only three weeks ago U.S. Steel announced that it was laying off still more workers because of its "slack order book." It was not alone in its troubles—over the last four or five weeks six large steel companies (Bethlehem, National, Armco, Inland, Wheeling - Pittsburgh and Youngstown Sheet) have all announced that they are cutting back in one way or another.

Given this dismal picture, many believe that the Government is being overhasty in its alarm and that the market will quickly force the increases to be cancelled. Although this is not likely now the big steelmakers have adopted the rise, it is worth remembering that the last steel price increase collapsed under market pressures before ever coming into effect. Some companies continued to take orders at old prices and the rest were forced to follow.

This seems unlikely to occur this time round. Although the steel industry as a whole remains in the doldrums, demand for flat-rolled steel is very strong indeed, and some expect it to become even stronger over the next few months.

Month-to-month deliveries of flat-rolled steels are no longer showing the growth evident at the start of the year but the companies, without providing any evidence, say orders are rising again, and that shipments early next year will show a good increase over last January. The steelmakers, furthermore, are convinced that customers for rolled-steel adjusted cost figures for a summer rise that never happened and consequently can swallow this one without too much damage.

Whatever the companies say, the timing of this increase must owe quite a lot to fears that Jimmy Carter will freeze wages and prices. By putting up prices now to a higher base rate (as the aluminium companies also did last week, the steelmakers can cover themselves. Although the heavy demand has kept down discounting of flat-rolled prices, the companies are aware that they can if necessary restimulate demand by offering customers such perks as free freight technical services and special cuttings.

Whether or not this increase in steel prices sets what Mr. Carter described as an "ominous pattern," or threatens the economic recovery as the Council on Wage and Price Stability say, the steelmakers are going to stick to their claim that they need the better profit margins if they are ever to meet projected capital expenditure needs of more than $5bn. a year to provide additional capacity.

Their move puts Mr. Carter on the horns of a dilemma. He can either start off his administration with a classic fight with the steel makers; or he can accept the rises with all the damage that implies for his anti-inflationary policies.

PERFORMANCE OF THE TOP SIX

(Jan.-Sept. 1976; 1975 in brackets)

	Production tons m.	Sales dlrs. m.	Net dlrs. m.
U.S. Steel	22.4 (20.7)	6.59 (6.23)	329.8 (448)
Bethlehem	14.6 (13.6)	4.03 (3.78)	128.3 (166.4)
Republic	7.6 (6.96)	1.96 (1.84)	56.6 (63.7)
National	8.12 (6.56)	2.2 (1.69)	70.6 (43.6)
Inland	6.3 (5.2)	1.82 (1.61)	81.5 (71.8)
Armco*	6.07 (5.48)	1.47 (1.37)	31.1 (10.6)

* Armco figures in both tables above are only for steel operations excluding extensive diversification.

OVERSEAS NEWS

Inflation fears undermine Australian currency policy

BY KENNETH RANDALL CANBERRA, Dec. 2.

LESS THAN a week after its devaluation move, the Australian Government's new economic policy is in the deepest trouble. The initial enthusiasm of the stock markets has been wiped out, confusion and apprehension reign in the money markets, and the business community remains utterly divided in its reaction.

The basic reason for the Government's problem is that practically every major commentator and interested group sees last Sunday's 17.5 per cent. devaluation and the limited accompanying measures as highly inflationary, even though the Government had argued convincingly for the past year that inflation was its primary policy objective.

In other words, the problem is one of credibility. The modest changes in interest rates and bond yields announced to-day by the Treasurer, Mr. Phillip Lynch are not being accepted as realistic. Neither are the assertions of both Mr. Lynch and Mr. Malcolm Fraser, the Prime Minister that there will not be a credit squeeze.

Mr. Fraser totally blurred the issue in his first devaluation interview on television to-night. He had tried to suggest that most of Australian manufacturing was export-oriented and unaffected by imports. On this basis, he predicted an immediate boost from devaluation with increased employment and higher profits.

The manufacturing sector does not share the Prime Minister's optimism, however. The Associated Chambers of Manufacturers (ACMA) the largest manufacturing lobby in the country, has refused to endorse the Government's latest policy package.

Two days before the policy was announced, ACMA firmly endorsed the Government's attitude as it was then understood, rejecting devaluation as a short-term option. Devaluation, it said, would benefit neither manufacturing nor the economy as a whole.

Since manufacturing accounts for nearly one quarter of the work force, ACMA's withholding of endorsement is a severe blow to the Government. So is the view of Sir Ian McLennan, chairman of Australia's biggest company, the Broken Hill Proprietry.

Sir Ian said this week that devaluation was no panacea. It could be inflationary, however, and inflation was one of the main factors undermining confidence in the short-term future of the Australian economy.

"It is ultimately the lack of confidence that is holding consumers back," said Sir Ian. "And it is lack of confidence in market expansion that is holding investors back."

Budget deficit

Stock market euphoria over devaluation lasted only four days. By the close of business yesterday, the markets were rife with rumours but the worst was yet to come from the new policy measures. The Government has taken the unusual step of denying one such rumour—that it was about to float a major pre-Christmas loan which would channel large amounts of funds away from the private sector.

The fact remains, however, that the Government has to finance a deficit now looking more like $A3bn. than like the budget estimate of $A2.6bn.—and that its chosen method is to sell more paper.

At the same time, it will have to deal with a return of speculative funds of possibly $A1bn. seeking not only the capital gain of a 17.5 per cent. devaluation but the higher return from an inflated interest rate structure.

In addition, an embarrassing degree of attention has been directed to the Government's reluctance to cut tariffs to offset the domestic inflationary effects of the devaluation. The change in the exchange rate represents a 21 per cent. increase in import prices.

For tariff-protected industries, the devaluation represents a rise in nominal protection of around 80 per cent. These two factors could destroy the Government's credibility in fighting inflation.

The more mathematically-minded economic critics have pointed out that the average rate of tariff protection for all imports is about 11 per cent.; the effective (as opposed to nominal) rate of protection in the new circumstances is about 28 per cent.; restoring former levels would require a tariff cut of politically impossible proportions.

These sorts of calculations put pressure more and more on the Government's declared aim of reducing real wages to offset the new inflationary pressure. This is a prospect that gives the labour-intensive manufacturing sector no comfort at all.

Australian industries competing less effectively with imports will clearly be given the greatest scope to raise prices, then concede wage increases, putting greater pressure than ever on the costs of other manufacturers.

When the Government was taxed with all these inconsistencies at a two-hour meeting yesterday of its Parliamentary members, Mr. Fraser's response was merely to call for unity. That speech carried the day in the party room but it has not cheered the Australian business community.

Airline in crisis as cheques refused

By Our Own Correspondent

NAIROBI, Dec. 2.

THE EAST African Airways Corporation is suffering a serious financial crisis with many staff members still unpaid for last month and with commercial banks refusing to honour its cheques.

The Corporation's Nairobi headquarters say they have been seriously embarrassed, yet again, by the withholding of funds by Uganda and Tanzania, which between them owe about £4m. to the headquarters account. The airline has overdrawing facilities of up to £2m. but has been warned to cut this back to £1m. Private motor firms have closed accounts with the EAA.

A Board meeting with representatives from Uganda, Tanzania and Kenya broke down in deadlock last week. But another was held this week.

Staff of the corporation who tried to draw their salaries at the beginning of the month had their cheques returned marked "effects of the cheque have not been cleared."

One senior engineer said: "I hope this is the last time we will be made to look like beggars—some of us may soon call it quits."

An EAA spokesman to-day said that so far the airline's operations had not been hindered. President Amin is reported to have declared he will be remitting Uganda's long-standing debt to the corporation.

The airline's problems have to be seen in the context of a tripartite commission which has been reviewing the treaty for East African co-operation. Its confidential report has now been submitted to the East African Community's high authority, Presidents Kenyatta, Nyerere and Amin.

The report is expected to recommend "decentralising" the joint transport and communications corporations, the railways, the harbours, the posts and telecommunications and the national regions of all these have been withholding cash from headquarters.

It is strongly believed that the lack of inter-territorial cash flow is a result of the moves to decentralise the corporations, with the regions trying to hold as much money in their own hands as posible.

Ironically the one corporation which is expected to survive decentralisation is East African Airways, as far as its international operations are concerned, with each country running its own internal operations.

Security yields increased

BY OUR OWN CORRESPONDENT CANBERRA, Dec. 2.

THE GOVERNMENT said to-day it had completed, through Reserve Bank market operations, a restructuring of Government security yields following last Sunday's 17.5 per cent. devaluation.

At the short end of the market, the increase is about 0.5 per cent., in line with the higher yields for 13- and 26-week Treasury notes announced on Sunday. On November 1978 bonds, for example, the yield has been pushed up from 9.4 per cent. to 9.9 per cent.

Increases on longer-term bonds are smaller, ranging from an 0.4 per cent. rise to 10.4 per cent. on ten-year securities, to an 0.3 per cent. rise to almost 10.5 per cent. on the longest bonds.

To-night Mr. Phillip Lynch, the Treasury, announced an increase of 0.2 per cent. to 10 per cent. for Australian savings bonds. If these, at the new rate, are redeemed before August 1 next year when the first interest payment is due they will be paid out at the rate of 7.5 per cent.

Mr. Lynch described the movements as a "measured and appropriate" response to the new situation created by devaluation. In a television interview to-night, Mr. Malcolm Fraser, the Prime Minister, said the Government's advisers had presented it with the choice late last week of drawing $A1bn. from the International Monetary Fund, or devaluing.

"Nobody could guarantee that borrowing $A1bn. would stop the speculation. Indeed, in our judgment, many people overseas would see it as a last-ditch effort and would tend to sit back and watch and wait," he said.

Shooting in Syria raises spectre of terror campaign

BY ROBERT GRAHAM BEIRUT, Dec. 2.

THE ASSASSINATION attempt upon Syrian Foreign Minister Abdul Halim Khaddam near Damascus yesterday, has reinforced the belief here that extremist elements, especially the "rejection front" within the Palestine Liberation Organisation (PLO), are about to begin a campaign of terror.

Observers here believe there is a direct connection between Mr. Khaddam's role as a major architect of Syrian policy in Lebanon and towards the Palestinian resistance, even though no group has claimed responsibility for the attempt on his life. A direct parallel is being drawn between yesterday's events and the assassination by the Black September movement of Jordanian Premier Wafsi Tal in Cairo in 1971.

The feeling is that Syria and the conservative Arab governments are now committed to seek a negotiated end to the Arab-Israeli conflict. This move has been facilitated by the political and military losses of the Palestinian movement in Lebanon. The PLO is now contained by the Syrian army in Lebanon except for some areas in the south.

Mr. Saeb Salam, former Lebanese Prime Minister, told the Financial Times last week that the summits of Riyadh and Cairo were "a prelude, if not part of, a wider agreement" to settle once and for all the Arab-Israeli conflict. Certainly Damascus and other Arab capital are exerting pressure on the PLO leadership to adopt a more moderate line. There is even one suggestion that the PLO is being asked to approve a Government in exile with civilians, except for Mr. Yasser Arafat, the PLO leader, as its head.

The "rejection front," has already sized up the situation and gone underground. There is no hard evidence of a terror campaign, but informed observers claim that the only possible strategy to prevent the PLO's following the new Arab line is to begin a campaign of terror in an attempt to sabotage any negotiations.

UPI adds: A small force of Saudi and Syrian troops will move into the south near the frontier with Israel next week, according to military sources here.

They say that it will consist of about 1,000 soldiers from Saudi Arabia and a "few hundred" from Syria.

Although no official confirmation was available, concern about the possible move appears to have subsided after a flurry of diplomatic activity last week concerning the south. "This was a result of U.S. and Soviet diplomatic efforts with Israel and Syria," the sources said.

Israel trying to establish buffer

BY L. DANIEL TEL AVIV, Dec. 2.

ISRAEL is continuing its efforts to ensure that the south of Lebanon becomes a buffer zone and that Palestinian guerilla operations there are strictly curbed.

Mr. Simcha Dinitz, Israeli Ambassador to U.S., has scheduled a meeting for Saturday to discuss the issue with Dr. Henry Kissinger, U.S. Secretary of State. The border situation is also expected to be a major preoccupation with Mr. Shimon Peres, Israeli Minister of Defence, who is expected to arrive in Washington early next week for talks on arms supplies with the U.S. Administration. Israel has offered to supply Lebanese forces under the command of President Sarkis with weapons to assist them to preserve order in the south, according to officials here.

The Israeli Government remains opposed to the presence in the area of any non-Lebanese forces, quite apart from Palestinian guerillas. This, they emphasised, applied not only to the Syrian element in the inter-Arab peace-keeping force in the Lebanon, but also to the Sudanese and Saudi Arabian contingents.

It is acknowledged in Jerusalem that from the point of view of Israel there are special problems relating to the port of Tyre, which is reported to be serving still as a source of military supplies for the guerillas, and the strategic township of Nabatiye. The latter, however, is located north of the Litani River, now generally regarded here as the geopraphical element of the "red line," south of which Israel refuses to accept the presence of non-Lebanese troops.

Guerillas blast Rhodesia border bridge

SALISBURY, Dec. 2.

BLACK NATIONALIST guerillas yesterday, for the second time in two months, blasted a railway river bridge near the border with Zambia and Botswana, Rhodesian military sources said to-day. There were no casualties.

The sources said the explosion on the Matetsi River bridge was set at almost the same place where a large section of the bridge was destroyed on October 6. That incident sent 11 train cars carrying copper from Zaire via Zambia into the river but caused no casualties.

It was not immediately known whether a train was crossing the bridge at the time of Wednesday's blast. The extent of the damage was also not known.

The section of the bridge destroyed during the October 6 incident was repaired within a week. The bridge is located 32 miles south of the Zambian border and 18 miles east of the border with Botswana.

Both Zambia and Botswana play host to guerillas belonging to the Zimbabwe African People's Union, controlled by Joshua Nkomo and Robert Mugabe.

The blowing up of the bridge was disclosed one day after security forces headquarters announced that Rhodesian troops operating on their side of the border with Mozambique came under fire from that country and launched "retaliatory action."

The Joint Planning Staff, the only body in Rhodesia allowed to give information on security matters, refused to confirm a Rhodesian Herald report that the troops had been fired on by Mozambique regulars.

UPI

S. African students acquitted

By Quentin Peel

JOHANNESBURG, Dec.

A SOUTH African univer[illegible] lecturer and four former wh[illegible] student leaders were acquitted [illegible] Johannesburg to-day on char[illegible] under the Suppression of C[illegible]munism and Unlawful Organ[illegible]tions Acts.

The five were accused [illegible] furthering the aims of [illegible] banned African National C[illegible]gress, but the magistrate, Mr [illegible] Steyn, said the State failed [illegible] prove its case. It had not pro[illegible] any connection between the [illegible] and the ANC, nor was there [illegible] evidence that they were work[illegible] for the ANC in seeking a cha[illegible] in government.

The verdicts on the accuse[illegible] sociology lecturer Mr. Ed[illegible] Webster, and four former offic[illegible] of the National Union of So[illegible] African Students (NUSAS) [illegible] white students' union, w[illegible] greeted with cheers and appla[illegible] from the public gallery. The [illegible] were first arrested in 1975, [illegible] their trial has lasted most of [illegible] year.

Meanwhile four gueri[illegible] caught on Tuesday with supp[illegible] of Soviet-made weapons h[illegible] escaped, Reuter reports fr[illegible] Johannesburg. The authori[illegible] believe they may have be[illegible] ferrying the arms to secret sto[illegible]piles in readines for an upris[illegible] by South African blacks. Am[illegible] the weapons seized, police fou[illegible] Russian Kalashnikov rif[illegible] ammunition, grenades [illegible] timing devices.

Police said they are cert[illegible] the guerillas are linked to ANC.

Police close in

Nearly 600 riot and security pol[illegible] to-day closed in on Cape Tow[illegible] Guguletu black township in [illegible] move to block a fourth consec[illegible]tive day of rioting, Reuter repor[illegible] from Cape Town. Police sourc[illegible] said the operation was aimed [illegible] rounding up ring-leaders an[illegible] gangsters.

Peking conference

Diplomatic sources said China [illegible] convene another national a[illegible] cultural conference very so[illegible] because Mao's widow, Chiang Ching, sabotaged the last o[illegible] Reuter reports from Peking. T[illegible] sources said Chiang Ching's per[illegible]cious influence at the 1975 poli[illegible] making conference was apparen[illegible] so great that the country co[illegible] not wait until 1980, as planned, before convening the next meeting.

Vietnam success

Vietnamese authorities have set up nearly 400 marketing co-operatives in the 21 southern provinces of the country and claim initial success in Ho Chi Minh City in checking hoarding and speculation and stabilising prices, Reuter reports from Hong Kong.

صكنا من الاجل

WORLD TRADE NEWS

British car imports rise by 117% in value

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

ʀITISH car imports shot up by 117 per cent. in October in value terms bringing the import bill to twice the amount earned by car exports.

At the same time, imports of components—a sector of the industry in which British companies have a strong position—showed an alarming increase of per cent. on the same period last year.

At £52.7m., component imports are still nowhere as strong as exports of the same products—worth £129m. in October, but they are easily keeping pace with the growth of exports.

These monthly figures, which also showed a fall in exports of commercial vehicles and products such as tractors, dumpers and trailers, cannot be taken in isolation from the more favourable overall annual figures.

Thesse show that the balance of exports over imports in motor products is still improving in monetary terms—up 8 per cent. from £1.2bn. to 1.3bn. in the first ten months of this year.

But they do indicate the growing balance of payments impact of Britain's appetite for foreign cars, and the effect on import prices of sterling devaluation. There is also some suggestion that the import figure for cars has been boosted by importers' stockbuilding.

One new phenomenon which is now being reflected in the figures and will come to play a more important part, is the growing interchange of components and built-up cars between the associate companies of the multinational car companies.

Vehicles like the Vauxhall Cavalier, the Chrysler Alpine and possibly the Ford Fiesta, are showing up as car imports—because in value terms 50 per cent. or more of the car is imported. The same will be true of the Leyland Allegro when it is transferred to Seneffe in Belgium for assemoly.

Conversely, the export of parts from Ford for the Fiesta and Leyland for the Allegro should boost the component export figure.

On the car exporting side, the 26 per cent. increase registered in October (to £44.2m.), is slightly below the running total for the year of a 29 per cent. increase.

But British Leyland, the biggest British car exporter, said yesterday that its own exports were more than 90 per cent. up last month. Ford said that it is planning to begin export of the Fiesta to European markets in December when it hopes to ship 1,500 vehicles.

Nissan views on market

TOKYO, Dec. 2.

ISSAN MOTOR executive managing director, Mr. Harumi Saku, said he hopes talks between British and Japanese car manufacturers in London next month will result in an understanding that Japanese 1977 car exports to Britain should be about the same as in 1976.

However, Mr. Saku told Reuters that Japanese car manufacturers will strongly oppose any proposal to let West European car exports to Britain rise at the expense of Japanese exports.

Nissan has established an extensive distribution network in Britain, and it would be unfair to allow it to be partly taken over by West German, French and other European cars, Mr. Saku said.

He added that the recently announced cutback in the company's shipments to Britain in December was pre-arranged, and was not a decision suddenly arrived at because of European demands for export restraint.

Nissan has been scheduling shipments to Britain in accordance with an understanding reached with British car manufacturers in July, that Japanese 1976 exports to Britain should not strongly exceed last year's level, Mr. Saku said.

Davy Loewy in Finnish steel pact

By Lance Keyworth

HELSINKI, Dec. 2.

DAVY LOEWY of the U.K. and the Finnish state-owned integrated steel company Rautaruukki Oy have signed a co-operation agreement for the delivery of the British company's steel rolling mill plant to third countries.

Rautaruukki's share in these projects will comprise the supply of technical assistance for the start-up and running-in phases of rolling mills supplied to Davy Loewy clients. The Finnish company will also be prepared to train the customer's personnel in its own rolling mills in Finland.

Davy Loewy has supplied the Finnish company with two hot-rolling plate and strip mills, a cold rolling plate mill and other plant in the past ten years or so. The second hot rolling plate mill was started up very recently.

Rautaruukki considers it is therefore in a good position to provide trained staff and to train others for future projects of the same type undertaken by Davy Loewy. This applies particularly to contracts won by the British company in so-called third world countries.

The co-operation agreement is believed to be the first of its kind between a Finnish and British company. It is an example of the sort of achievement towards which the Finnish-British Joint Commission on Technological Co-operation has been working.

Lack of interest cancels British exhibition in Tokyo

BY DAVID HOUSEGO

THE BRITISH Trade Centre in Tokyo, the Government sponsored organisation for promoting British exports to Japan, has an empty slot in its official programme for this month because of the cancellation of a planned exhibition of automatic testing equipment (ATE). The reason for the cancellation has been insufficient support from British manufacturers.

A market survey carried out for the British Overseas Trade Board (BOTB), which is responsible for organising the centre's programme, calculated that last year the market in Japan for ATE was worth Y7.3bn. ($25m.) and was expected to more than double by 1980. Imports accounted for 27 per cent. of sales, most of them coming from American companies specialising in the testing of components such as integrated circuits (IC's), large scale integartion (LSI) and digital sub-assemblies.

Marconi Instruments and Wayne Kerr were reported as the only two British manufacturers with a stake in the market which is dominated by 18 Japanese and 20 American companies.

On the basis of the market survey the BOTB planned the exhibition for this month but called it off in February when it became clear that too few British companies wanted to participate. Though the centre therefore will have no official show this month, the Board has recognised its schedule for the year so as to include its regular batch of 10 exhibitions demonstrating British goods in the field.

Nonetheless the lack of enthusiasm for the exhibition is the type of issue on which the Japanese have of late been pouncing in arguing that Britain's trade deficit with Japan is the result of insufficient effort made by British companies to penetrate the Japanese market. In the first nine months of this year the trade deficit widened by 10 per cent. on provisional figures to £305m. as against the same period last year.

Typical of the Japanese attitude were the remarks made in London last week by Mr. Yugoro Komatsu, a former Vice-Minister of Japan's Ministry of International Trade and Industry, who urged Britain to step up efforts to sell to Japan and claimed the Japanese were making intensive efforts to increase imports.

The main reason why British manufacturers declined to participate in the exhibition was the belief that larger sales could be made in other export markets without the expense and bureaucratic obstacles met in Japan. Another factor mentioned is that the exhibition was being organised when Britain was at the trough of a recession and companies were watching their budgets more carefully. However the BOTB covers a large part of exhibitors' costs—though not the sales follow-up that might be involved.

Russian chemical contract

A CONTRACT from Russia worth nearly £5m. to design and commission a chemical plant has been won by Chemical and Thermal Engineering of Wilmslow, Cheshire.

The contract, awarded through Techmashimport, the Soviet state buying agency, is for the design, engineering, procurement and commissioning of dimethyl formamide solvent recovery installations on two sites in the USSR due for start up early in 1980. It is the largest single contract negotiated by the company which is a member of the Hunt and Moscrop Group.

The two installations will consist of a DMF recovery plant, waste water treatment plant, salt disposal plant and process waste incineration plant. The DMF recovery process uses specialist technology invented by Mr. Brian Thomas, Chemical and Thermal's managing director, and was developed in association with Porvair.

Porvair's in depth DMF technology is made available to Chemical and Thermal's clients under licence. Finance for the £4.7m. contract was arranged through Morgan Grenfell and National Westminster

Record contract for British Dredging

BRITISH Dredging Aggregates has been awarded a year-long contract worth £1½m. by a Belgian consortium to supply 1m. tonnes of sea-dredged aggregate for the construction of new locks in the harbour at Zeebrugge and building work at Ostend.

Mr. Mostyn Bowles, chairman of the British Dredging Group, said this is a record export order for the company and would make a significant contribution to next year's sales.

Contracts that have already been negotiated for 1977 mean that British Dredging's 13 ships will be fully operational during the next 12 months.

In addition to the Belgian contract, British Dredging will supply 750,000 tonnes of aggregate to France, and 500,000 tonnes to Holland.

Algeria to increase gas supplies to France

France and Algeria have agreed to raise to 51.5bn. therms a year, from 36.5bn. originally planned, the amount of gas Sonatrach, the Algerian state-owned hydrocarbo company, will supply to Gaz de France (GDF). the two governments have approved a rider to a contract signed in April this year, under which Sonatrach has agreed to supply liquefied natural gas to France up to 2001, with deliveries beginning in 1980.

£178m. investment by Ford Tractor needed

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

ORD MOTOR anticipates it will need capital expenditure of $300m. (£178m.) between now and 1980 to take advantage of the market opportunities it can see, maintained Mr. L. R. Ross, vice president of Ford Motor Company and general manager Ford Tractor Operations, yesterday.

He told a London Press conference that he expected the Western world's market for wheeled agricultural tractors to be about 808,000 units by 1985. This would be slightly down in units from 1975's 819,000 but up from Ford's projection of 759,000 for 1980.

"In other words, there will be annual variations but not very significant changes in unit sales between now and 1985," said Mr. Ross.

But there would be large increases in sales revenue, even at to-day's prices. Industry sales revenue on agricultural tractors should be up some 16 per cent. to $7.2bn. by 1985 as the trend to larger horsepower tractors developed.

This year Ford Tractor would sell 120,000 units through a network of more than 5,000 dealers and sub-dealers in 150 countries.

Mr. G. A. Cowl, general manager Ford Tractor Operations Europe, said that over the next five years total industry sales in European markets should average 270,000 units.

The average horsepower of all tractors sold in Europe had gone from 47.8 hp in 1968 to 63.8 hp in 1975 and Ford expected it to reach 71 hp by 1980.

"Farmers in Europe are asking for more powerful and more sophisticated tractors to match increasingly sophisticated farm machinery. We will see improved transmissions, better hydraulics, more safety and constantly improving comfort and ease of operation for the driver." Mr. Cowl declared.

Fisons raises U.S. activity

BY RHYS DAVID, CHEMICALS CORRESPONDENT

FISONS, the U.K. chemicals company, is expecting investment at its new site in Muskegan, Michigan in the U.S. to rise to around £6m. over the next few years as additions to the plant now being built are made.

The company is expecting first production of Ficam agrochemicals from the plant in the second half of next year and this will be followed by facilities to formulate Nortron, a sugar beet herbicide, and by a pharmaceutical unit designed to produce Intal, the company's asthma relief product.

As part of its build-up in the U.S. Fisons has also taken out an option to purchase some 300 acres in the Lower Rio Grande Valley in Texas. The land will be used for specialist testing of herbicides, insecticides and fungicides, produced by the company's research and development staff in the U.K., and for local development work specifically for the U.S. market.

The company already has facilities to test products in a number of countries but is expecting the U.S. to become its most important centre. The U.S. accounts for 45 per cent. of the world market in pesticides, and the site in Texas will be able to grow almost all the most important world crops throughout most of the year.

In the U.K. Fisons, which is mainly involved in agrochemicals, fertilisers and pharmaceuticals, is planning to expand its involvement in the leisure field, using its existing horticultural business as the basis for this.

The division is being separated from the fertiliser division and will in future be run jointly with the company's other main diversified area, scientific equipment. The company's merchanting activities are also to be merged with its existing fertiliser merchanting business Diamond Fertiliser.

The company has recently made a number of senior management changes with Mr. Ron Bounds taking over as chief executive from Mr. George Burton who continues as chairman.

Hungarian order for Clarke Chapman unit

Thompson Friction Welding, a unit of Clarke Chapman, is to supply a friction welding system worth around £250,000 to the Hungarian manufacturer of vehicle axles, RABA, which will use the British system to fulfil an axle order for an international motor manufacturer.

French win Greek deal

BY OUR OWN CORRESPONDENT ATHENS, Dec. 2

A CONSORTIUM of French companies has won a Drs.180m. (£3m.) contract for the supply of equipment for the completion of a hydroelectric project in western Greece.

Under an agreement signed with the Public Power Corporation (Greece's state-controlled electricity company), the French companies will supply the sluice gates, a bridge crane and the steel lining for the pipelines of the power plant at Pournari on the Arachthos river.

The French concerns are Alsthom, Neyrpic subsidary, Bouchazer Vrallet (BVS), Coupegot-Soretex-Levage, and Société D'Entreprise De Montages.

They will co-operate with the Greek company, Coupas, which has undertaken the engineering work for Drs.200m. (£3.3m.).

The French government will finance 20 per cent. (Frs.4.8m.) of the 180m. drachmae French contract, repayable interest-free over 15 years with a four year grace period. The remaining 80 per cent. (Frs.18.4m.) will be covered by a loan to the Public Power Corporation from a consortium of French banks, repayable over 10 years at an interest rate of 7.75 per cent.

The Pournari hydroelectric project was started in September 1975 and will cost a total of 2.26bn. drachmae (£37m.) when completed. It includes three power units of 100 megawatts each. These were supplied by the Russian Energomachexport in co-operation with three West German companies at a cost of 900m. drachmae (£15m.). The dam for the project was built by the Greek concern Hellniki Technika for 982m. drachmae (£16.3m.).

When completed next year the Pournari project will also irrigate about 37,500 acres in the Arta-Preveza Valley.

Malawi satellite deal

A contract to instal and operate a satellite earth station in Malawi has been signed by Cable and Wireless and the Malawi Government. The U.K. company will supply on hire, instal, manage, operate and maintain an earth station for an initial period of five years. It will also provide specialist training of Malawis.

The station at Blantyre will provide Malawi's first direct satellite links with South Africa and the U.K., from where telecommunication traffic can be switched to any other destination in the world.

European cash will help finance BSC expansion

BY ROY HODSON

EXPANSION PLANS costing £60m. at British Steel Corporation works are to be partly financed by loans from the European Investment Bank.

The bank has made two new loans totalling £14.7m. for ten years at a rate of 9 per cent. towards BSC schemes at Port Talbot, South Wales, and Distington Works, Cumbria.

As is usual with European borrowing by a nationalised industry the Treasury will guarantee the loan against movements of the pound in relation to the "cocktail" of currencies loaned by the bank.

Most of the money—£12.6m.—will go toward the new £32m. coal-handling and blending system at Port Talbot. The bank lent £8m. for a sinter plant at the same works in 1974.

The second loan, £2.1m., is for the construction of facilities at the continuous-casting plant production works at Distington. Costing nearly £6m., these will provide 225 new jobs in an area of high unemployment.

The news loans bring the total lent by the bank to BSC for expension and modernisation to nearly £92m.

British Steel will spend a further £21.5m. at Port Talbot to modernise facilities for cleaning steel and on fume-extraction equipment for the basic oxygen steelmaking plant.

"The new equipment ordered reflects the awareness of our environmental responsibilities to the work force and the community," said Mr. B. S. Moffat, director of Port Talbot works, last night.

The corporation spent £530m. on capital projects last year. The working strategy for public-sector steelmaking development calls for a high level of spending for several years to come. Much will depend on Government reviews of BSC plans.

Observer's new owner to meet Callaghan & Healey on Monday

BY KEVIN DONE, INDUSTRIAL STAFF

A RECEPTION committee such as is normally reserved for visiting potentates has been assembled this week for the visit to London of Mr. Robert Anderson, new owner of the Observer.

It will culminate in a meeting on Monday with Mr. James Callaghan, the Prime Minister, and Mr. Denis Healey, Chancellor of the Exchequer.

Mr. Anderson, chairman of Atlantic Richfield, the eighth largest oil company in the U.S., with sales last year of $7.7bn., yesterday made his first informal tour of his new acquisition. Losses at the Observer this year are estimated at more than £600,000.

The introduction was a casual one, and many of the staff will have to wait until Saturday to catch the first glimpse of their new proprietor, when he goes to see a full production run of the paper.

The recent history of the Observer has been closely connected with mealtimes — the rescue deal was first thought of less than three weeks ago over dinner in a West End Restaurant between an Observer journalist and a friend of Mr. Anderson—and yesterday was no exception.

Luncheon at the flat of Lord Goodman, chairman of the trustees, to meet other trust members, was followed by dinner last night at Lincoln's Inn to meet what was described as "a cross-section of people from British life."

This ranged from the full coterie of existing Press lords, Mr. Harold Lever and Mr. Edmund Dell for the Government, and Lord Hailsham and Sir Keith Joseph for the Opposition, to the U.S. Ambassador, leaders of newspaper unions, such as Mr. Kenneth Morgan and Mr. Bill Keys, Sir Richard Marsh, chairman of the Newspaper Publishers Association, the Queen's private secretary, Mr. Peter Hall, and Mr. Yehudi Menuhin.

Monday's meeting with the Prime Minister and other Cabinet members is expected to follow a top-level meeting at the Observer at which the full composition of the Board will be decided.

Mr. Anderson's arrival at the Observer appeared to draw an enthusiastic response from those staff who met him, but others stayed true to the paper's vaunted stance of independence.

"As an hypothesis everyone would welcome him," commented one journalist, "but they have not met the actuality."

The new owner said yesterday that he did not foresee any editorial changes in the near future, but the new Board would be seeking the "best help and advice" in Britain to strengthen the management.

Reservoir decision expected

Plans for the biggest reservoir in South West England have won the general approval of Mr. Peter Shore, Secretary for the Environment. He will give a fromal decision on the application soon. The £5m. reservoir site is at Colliford, Cornwall.

New companies

A total of 4,600 new companies was registered during October, bringing the total number of new formations for the year so far to more than 46,000, according to to-day's issue of Trade and Industry. All the new registrations were private companies.

Action urged

The Trent Regional Health Authority has urged Mr. David Ennals, Secretary for Social Services, to take action against the "gross inequalities" in distributing money to the health authorities, otherwise services in the Trent region would continue to be severly deprived.

Conservation award

Reed Paper and Board (U.K.) has been awarded first prize in the "Conservationist of the Year" competition sponsored by the Eutectic and Castolin Institute. The awards are made on the basis of the value and extent of energy and resource conservation within a company.

Cash benefit

An additional weekly cash benefit for people with dependent children was urged yesterday by Professor A. B. Atkinson of University College, London. To pay for this, married men's tax relief should be abolished.

Record year

Ferrymasters has had a record year for international shipments. In the 11 months to November, more than 50,000 unit loads were moved, exceeding the company's previous best annual total.

Oil pollution

The first case of North Sea oil pollution in Britain has affected Loth, Sutherland, Scotland. A sample sent for analysis matched specimens from a field 14 miles off Brora, Sutherland.

BBC unveils 14-day TV Christmas package

BY MICHAEL THOMPSON-NOEL

THE BBC, which has been setting the pace recently in its ratings war with ITV, yesterday unveiled a 14-day package of television programmes for Christmas. As usual, the mixture is a familiar pattern of feature films, special editions of hit comedy shows, plays, and a wide variety of music.

"Over the past five or six years, the vast majority of people have chosen to watch BBC at Christmas, and we think they will again. The cost for the two weeks is obviously far greater than normal: but that's allowed for," the BBC said yesterday.

The films include Oliver, Love Story, Airport, Hello Dolly, and A Man for All Seasons. Drama includes new productions of The Hunchback of Notre Dame and Noel Coward's Private Lives, while Rudolf Nureyev appears in Don Quixote.

Other programmes include a unique documentary on giant pandas filmed in their natural habitat, the story of British pantomime, a celebration of Sir John Betjeman and a profile of Brendan Foster. There is also a new Kojak film.

Target Group launches gilt unit trust

BY ERIC SHORT

THE Target Group of unit trusts has broken new ground by launching the first authorised unit trust investing entirely in British Government securities.

The move comes at a time of considerable interest in the investment opportunities of the gilt-edged market. It means that the smaller private investor now has opportunity to invest in this media by way of a unit trust.

A unit trust enables investors to participate in an expertly managed investment vehicle on a pooled basis primarily in equities or in preference shares, with the operation of the trust being strictly controlled by the authorities thereby ensuring security of investment. The taxation of a unit trust ensures that franked investment income—income which has borne corporation tax, such as equities or preference shares—is taxed no more nor less by the time it reaches the unitholder than if the unitholder held the shares himself.

Private car hirers set-up new trade association

BY IAN HARGREAVES, INDUSTRIAL STAFF

PRIVATE CAR hire operators yesterday initiated a major bid for respectability with the formal launching of a new trade group, the Private Hire Car Association.

One of its first acts was to publish a draft code of conduct, which outlaws private hirers who use vehicles looking like licensed taxis in order ot cruise illegally for business

Other stipulations are for tighter control of vehicle maintenance, qualifications on suitable type and age of vehicles and that drivers must be over 21 and have a minimum of one year's driving experience.

The code also says that all chauffeurs must be uniformed and have three years' uninterrupted driving experience.

Mr. Peter Kane, association chairman, said that legitimate and responsible operators were tired of being tarred with the same brush as the small number of "cowboy" companies.

WINE SALE

Lafite 1870 at £440 a magnum

BY EDMUND PENNING-ROWSELL

THE CENTREPIECES of Christie's finest and rarest wine sale yesterday were two exceptional private collections of old vintages: and with sterling as it is and American buyers out in force prices were no less exceptional than the wines.

The more interesting of these two cellars consisted of wines, mostly Bordeaux, from the Oxfordshire home of Sir John Thomson, former chairman of Barclays Bank. Some of the prix-phylloxera clarets had been lying undisturbed for nearly a century. Lafite predominated, and the top price of £440 was given for a magnum of the 1870, with single bottles of the same vintage fetching up to £160, followed by £1,050 for a whole dozen of the 1874.

Among the wines of Ch. Margaux a magnum of 1868 brought £125 and six bottles of this estate's fine 1883 made £370. The 82 lots totalled £12,644.

The other collection, the latest tranche of a Paris cellar contained 18 vintages of Lafite, from £120 per bottle for the 1872 to £560 for a dozen 1945. Two bottles of Latour 1899 went for £145 and two magnums of this Chateau's 1900 fetched £270. Eighty lots brought £13,553.

In a sale full of rarities, the highest price and a British auction room record was £900 for a jeroboam (equ. 6 botts.) of Mouton-Rothschild 1929, and another record was £680 for a dozen 1945 from the same source.

Bass £4.5m. provision

BY KENNETH GOODING

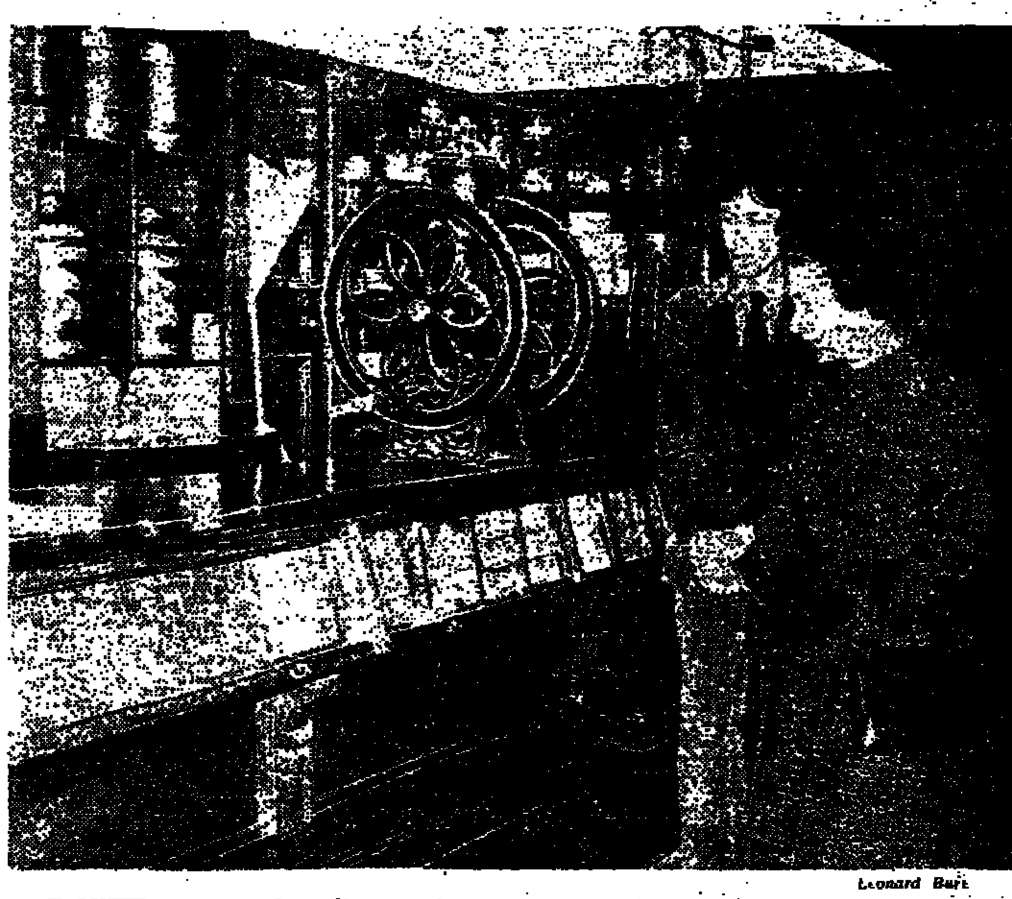
BASS CHARRINGTON, Britain's biggest brewing group, has made another provision, this time of £4.5m., against possible losses on sale of Bordeaux wine.

This means the group has made provisions totalling £6.5m. over the past two years following the collapse of Bordeaux prices from the record levels speculative buying forced them up to in 1972-73.

After making a £2m. provision in 1975, the Bass directors said they believed that in the longer term market conditions would improve and this would enable most of the Bordeaux stocks to be sold at a price which would cover the cost, £13.6m.

But they reported last night that the situation in Bordeaux had not improved "to the extent expected."

So they believed it "prudent to make the further provision of £4.5m in respect of certain stocks of Bordeaux wine."



Leonard Burt

THE QUEEN yesterday formally opened the new Museum of London, in the Barbican, which presents a reconstruction of 2,000 years of the city's social history. Here, accompanied by Mr. Oliver Green, assistant keeper, she views a late-Victorian grocer's shop.

Injunction on JFB 'not novel way to defeat takeover bid'

BY TERRY WILKINSON, CITY STAFF

MR. ANDREW LEGGATT, QC, for Dunford and Elliot, denied in the Court of Appeal yesterday that the company's injunction restraining Johnson and Firth Brown from proceeding with its £9½m. offer was a novel way of defeating a takeover bid. He said the main issue was whether JFB had used confidential information in its takeover plans, an issue which could be determined only at trial.

Earlier Mr. Anthony Lloyd, QC, for JFB, continued his submissions at the hearing, in its second day before Lord Denning, Master of the Rolls, Lord Justice Roskill and Lord Justice Lawton of JFB's appeal against the restraining order by Mr. Justice Mocatta on Tuesday.

Dunford has claimed that confidential information about its company communicated to JFB gave JFB an unfair advantage over Dunford's shareholders.

Mr. Lloyd argued that by bringing its unprecedented legal action, Dunford was defeating the City Takeover Code, which was aimed at allowing shareholders the opportunity of considering a bona fide takeover bid.

Mr. Andrew Leggatt, for Dunford, denied a suggestion by Mr. Lloyd that if the JFB offer document was not posted on Monday morning its offer would lapse. He said the City Panel could grant extensions in "proper cases" and a deferment under monopolies legislation was "a familiar situation."

In this case the only novelty, he suggested, was because JFB had come by a "huge" quantity of "most pertinent" information, although JFB has denied that it paid any attention to it.

The hearing continues.

National Theatre bid to cut costs

By Michael Thompson-Noel

THE National Theatre confirmed last night that it is cutting production schedules and costs and trimming the size of its work force in a bid to deflect criticisms of extravagance and bureaucratic top-heaviness.

Few details are available, but Mr. Peter Stevens, the National's general administrator, says there will be fewer changes of play, fewer productions than budgeted, fewer actors on full pay and less overtime for stagehands.

Last week, the Arts Council said the National's expected loss this year was likely to be halved from £1m. to £500,000 as a result of good trading figures, near capacity houses and cost economies.

Much of the deficit is due to building delays. The National was formally opened by the Queen in October after costly delays to the Olivier Theatre, the second of its three auditoria.

It is expected that the National's 100 actors and 400 back-up players will be trimmed in numbers. Less money will go to top-line stars such as Albert Finney, receiving a reported £500 a week for his role as Tamburlaine, and lavish productions will be greatly cut back.

The production of Tamburlaine the Great cost an estimated £50,000—partly because of delays with the Olivier, which stretched researsal time—compared with an average production cost at the National of about £30,000.

Talks fail to settle bread discount row

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

A MEETING yesterday at the Department of Prices between bakers and their retail customers failed to produce an agreement over the discount structure which Mr. Roy Hattersley, the Prices Secretary, is trying to introduce next year. It is part of his plan to fix a range of maximum retail prices for bread.

Representatives of both sides are expected to see the Department officials again to-day but it is understood that at yesterday's meeting there was a considerable difference between what the retailers wanted out of the discount structure and what the bakers thought was possible.

Last month, the Minister refused to raise the maximum price of bread despite the fact the Price Commission had permitted the bakers a wholesale price rise of ½p a loaf.

When announcing this, he said he had decided to drop the present system of fixing one maximum retail price for bread in the New Year, and instead was planning to introduce a range of maximum prices which were related to the cost at which the retailers bought their bread from the bakers.

A list of proposed maximum prices was circulated which would have meant that no retailer getting a discount of over 35 per cent. from his supplier would have been able to make any profit.

British Aluminium prices going up by 7.2%

BY RHYS DAVID

BRITISH ALUMINIUM has obtained Price Commission approval for a further round of increases on semi-fabricated products and has warned that another application covering primary products has also been submitted.

The latest increases will average 7.2 per cent., but each product will be affected differently. The rises will be effective on all orders and despatches from Monday.

British Aluminium last put up primary product prices on November 4. The 5.61 per cent. increase then was the third since August. Semi-fabricated products became dearer four days later.

The company said yesterday that its new application was intended to become effective in January.

"The recent rate of price increases has been exceptional but we believe that by January we will have caught up with the sustained cost escalation experienced in 1976.

U.S. group to seek MESA crude oil for Nigg refinery

BY RAY PERMAN, SCOTTISH CORRESPONDENT

CROMARTY PETROLEUM, the U.S.-owned company planning to build a refinery at Nigg, Easter Ross, has had informal talks with the MESA Group, which has found oil only 40 miles away in the Moray Firth.

MESA confirmed the presence of a promising field in block 11/30 in September and is now drilling appraisal wells which should yield results by early next year. Seismic and other tests have suggested that reserves could run into several hundred million barrels.

Partners in the consortium led by MESA are exactly the sort of independent crude oil producers that the refinery hopes to attract, since they have no direct links with other U.K. processers.

Cromarty declined to comment on the possibility of a link up yesterday and MESA is understood to be anxious to avoid publicity in case it has to get its crude refined by one of the major oil groups, which are bitterly opposed to the Nigg project.

The talks that have taken place are likely to have been on a tentative level since both parties are some way from being able to make any deals, but an arrangement between them has obvious mutual advantages.

The oil find is in relatively shallow waters and it would be simple and inexpensive to run a pipeline to Nigg. However there may be timing difficulties since MESA could be ready to begin production before the refinery is completed.

For Cromarty, the field could represent the answer to half its problems, by providing a ready source of crude oil.

Cromarty cleared the latest of the obstacles in its path this week by reaching agreement with landowner Mr. Michael Nightingale over the sale of acres of beach needed for the refinery site.

Marathon yard may fail to win job-saving rig

THE GOVERNMENT is understood to see no way it can finance the speculative building of a drilling rig to save 1,300 jobs at the Marathon yard, Clydebank, though no formal decision has yet been taken.

The American owners of the yard put the suggestion to Department of Industry officials last week. The three-leg jack-up rig would cost about £13m.

The company's contribution would be the steel, which it already has, and the facilities, and it has asked the Government in effect to pay the labour costs.

The Government is believed to feel that to back speculative building would be against the spirit of international agreements and set a precedent for the rest of British shipbuilding which would be impossible to follow.

Scott-Lithgow, a short distance away at Greenock, for example, would like the Government to pay for a £30m. advanced drill ship.

Marathon will substantially run out of work when a rig it is now building for National Drilling of Abu Dhabi is launched in two weeks.

The yard is understood to be negotiating with a French and a British company for new orders, but one is unlikely to come in time to prevent big lay-offs.

In that case, the yard will be temporarily out of use, with employment for only a handful of workers doing maintenance and some sub-contract steel work.

City official investigated

ALLEGATIONS against an official in the City of London Corporation surveyor's department in connection with building contract work are being investigated by detectives.

A report on the inquiry is expected ot be sent to the Director of Public Prosecutions later this month.

"Officers from the City of London police are carrying out an investigation into allegations involving one member of the staff who has been suspended," police said.

"It is anticipated that when inquiries have been completed a report will be sent to the Director of Public Prosecutions."

CBI chief warns of sombre year ahead

A WARNING that the country was in for a "sombre year" in 1977 was given yesterday by Lord Watkinson, president of the Confederation of British Industry.

Speaking at the annual dinner of the CBI Wales Council in Cardiff, Lord Watkinson declared that "1977 will not bring as strong an upturn in world trade as we hoped it would.

"The volume of world trade may even grow a little less quickly next year than it has this year, inflation in the U.K. will remain higher than our stronger competitors, and unemployment will also remain depressingly high."

On the basis of its surveys so far, the CBI has tended to be rather more optimistic about the prospects for export growth, a reduction in the balance-of-payments deficit, and a fall in the public-sector borrowing requirement than has the Treasury of late.

But its surveys have shown a faltering in the pace of growth coupled with a severe fall in confidence, and Lrd Watkinson's speech undoubtedly reflects a rather more gloomy CBI feeling about next year's prospects than was held by the confederation last summer.

Referring to the package being prepared by the Government, Lord Watkinson did show some indications of hope.

The CBI, he said, was "encouraged by what the Chancellor said on Tuesday about possible tax incentives in his April Budget." He went on to declare that "given the necessary encouragement I believe that productive industry would seize every opportunity offered by the depreciation of sterling, would not only continue to increase our exports, but would in addition win back a greater share of our home market from competing imports.

"Our message, as managers, to the Government and to the nation in the weeks to come is a straightforward one. Give us the backing of an industrial strategy that is being implemented and not just talked about, give us the incentive of being able to keep as much of our wages and salaries after tax as our foreign competitors, give us the proper climate in which our companies can expand, and we'll do our part to deliver the national prosperity, the exports, the investment and the jobs we all want to see."

Lord Watkinson repeated the CBI's opposition to the current devolution proposals as "thundering irrelevance, especially at this time of deep economic difficulties."

NEWS ANALYSIS — RUBERY OWEN

Crucial day for vehicle industry

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

TO-DAY WILL prove crucial in determining whether a solution can be found to the bizarre unofficial strike which threatens to bring much of the vehicle industry to a halt.

Shop stewards representing 120 maintenance engineers at Rubery Owen, the West Midlands component supplier, have been summoned to meet senior union officials at the West Bromwich regional headquarters of the Transport and General Workers' Union.

Move in doubt

Whether they turn up will remain in doubt to the last minute. For the men, believed to be demanding a £10-a-week wage increase in clear breach of Government pay policy, have refused to talk to management, to local union representatives or to their regional officers.

Repeated attempts by the TGWU and the Amalgamated Union of Engineering Workers to get the men to discuss their grievances since the walkout nearly three weeks ago have been ignored.

Labour relations at the Black Country factory have been in turmoil since the spring, with three strikes among the 2,750 workers.

Basic to the problems is the chaotic wage structure, which gives markedly different earnings to men doing virtually the same work but in different departments.

The work, producing wheels, petrol tanks, axles and metal frames for the vehicle industry, is often noisy, dirty and repetitious. Causes of injustice and envy are built into the payments system.

The Commission on Industrial Relations, set up by the Heath government, said of the company just over two years ago: "We regard the present pay structure as basically inequitable, ineffective and unsatisfactory in that it is failing to serve the objectives of either management or employees." The situation has changed little.

Yet not so long ago Rubery Owen was regarded as a model employer. A private family concern built up on the energy and initiative of the Owen family, it has always shown a paternalistic concern for its workers housing and welfare. Starting from a half-acre site at Darlaston in 1893, Alfred Ernest Owen and his partner John Rubery were pioneers who realised the importance of the emerging motor industry.

Under the original Alfred's son, Alfred G. B. Owen, later Sir Alfred, the company expanded and diversified to become one of the largest private companies, with an annual turnover of more than £100m.

Contained in the personal management style of Sir Alfred were the seeds of the present dispute. The piecework system was introduced in the 1920s, when individual departmental managers were given freedom to arrange payments under the broad guidance of Sir Alfred. His frequent presence on the shopfloor and close contacts with the men meant that he would often intervene himself.

By 1968, the year before he retired, efforts were being made to bring the complex and unwieldy system under control. To help reduce friction between workers, and reduce wage drift, it was agreed to convert from a low base to a high base rate system, the basic wage forming a higher proportion to the incentive element.

Strike split

In 1972, realising that the low-base system could increase earnings at a time of restraint, the unions called a halt to the transition. Management was left with a work force divided three ways, with two systems of piece rate and the rest paid on a time basis.

The division was underlined in the five-week strike of 1973, the first serious dispute in the company's history, when some 700 time workers and lower-paid pieceworkers continued to work. They knew they stood to gain more from what the management was offering than from what their unions were demanding.

The same conflict of interest between different sections of the workers is apparent now. At a time of wage restraint it is much easier for piecework-earners to redefine their job and raise earnings than for men paid on an hourly basis.

The 120 maintenance workers, mostly skilled engineers responsible for installation and upkeep of machinery throughout the plant, are paid about £83 for a 40-hour week. For the same hours an unskilled piece worker would on average earn £72.

Possibly contributing to the frustration of the maintenance engineers is the composition of the plant-level Trade Union Negotiation Committee.

The TGWU and AUEW stewards each elect a chairman, secretary and convenor to represent them on the joint negotiating committee. But the six members of the committee are all low base-rate pieceworkers despite the fact that only about a quarter of the workers are in that category. The Industrial Relations Commission reported that the lack of interest of some piecework shop stewards in the problems of hourly workers was "potentially dangerous," and that disaffected employees might "opt out of existing arrangements."

Disruptive ca[...]

Especially disruptive to industrial relations in recent months has been a call from stewards for the negotiating committee "not to get involved in departmental issues," a [...] which cuts off the last stages of the internal disputes procedure and makes the committee virtually redundant.

In practice this means each department and section must fight for itself, a process which can only lead to leap-frogging and general chaos in payments.

So entrenched are the inconsistencies of the wage system and so limited is the company's freedom of manoeuvre under present pay restrictions, it is difficult to predict for how long peace could last even if the maintenance men returned.

Marks & Spencer plans second food-only shop

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MARKS AND SPENCER is negotiating to open a second food-only shop. The move is part of an experiment to see whether there is any future in a chain of smaller branches selling nothing but M and S's St. Michael own-label groceries.

Earlier this year, Marks took all its textiles and other non-food goods out of one of its smaller stores — in London's Portobello Road — in order to concentrate on food.

If Marks is successful in its experiment, the company could open food stores in towns too small to support branches selling a full range. This would open up a new avenue of growth for the company, which already has stores in most major towns.

If the deal for a second site goes through, it would be the first shop which Marks has developed specifically to sell foods on their own. The store is thought to have a sales area of about .000 square feet, which is half as large again as the Portobello Road store and is about the size the company considers necessary to sell its full range of foods.

Marks stressed yesterday that the experiment was still in its very early stages.

Food sales have been expanding for sometime, particularly in the past year, despite the fact that many other food retailers are finding that shoppers are trading down at the moment and buying cheaper products.

Significant

Marks started selling food before World War II but it was not until the 1960s that the company really developed its range. It then went into frozen foods, and prepared-foods still account for a significant proportion of its food business.

The company has kept out of products such as sugar, and has been relatively unsuccessful where there is strong brand loyalty, such as breakfast cereals. Instead, it has concentrade on own-label up-market goods.

For this reason, its product range is far smaller than that of a traditional supermarket and a shopper still could not get all her weekly food requirements at Marks.

If the company were eventually to start a chain selling only food, it might have to extend its range.

It would probably prefer to avoid competing directly with the supermarket chains, which have themselves been diversifying into Mark's traditional areas of strength, such as textiles.

The company would not consider selling anything but St. Michael brands, because it considers that the control it has over quality as a result of selling under its own brand is of prime importance.

Marks and Spencer is at present looking at another three of four sites in Paris, part of its continuing expansion abroad.

But the development of shops in the U.K. selling only food would enable it to go into towns and suburban areas where there are not enough customers to warrant building a 25,000 square feet store.

'Cheapest Atlantic air fares next April'

By Michael Donne, Aerospace Correspondent

OVERSEAS Air Travel, the British Airways' subsidiary responsible for advanced booking charter flights, is offering what it claims are the cheapest Atlantic rates so far for travel from next April 1 between the U.K. and North America.

Between London and New York and Toronto, the ABC fare will be £122 return in April and May, rising to £172 return in the peak months of July and August.

Rates between London and Chicago will range from £142 return and £182 according to season, while those between London and Vancouver will range between £166 and £222 return, and between London and Los Angeles between £190 and £242 return.

Overseas Air Travel plans to offer more than 70,000 seats on the North Atlantic next summer, including flights from London, Manchester and Prestwick.

Announcing the programme, Mr. Tony Arnold, OAT's manager, said yesterday that British Airways hoped to do well with its ABC flights next year. "Our travel research shows that there are 18m. U.K. residents who have close family ties with Canada and the U.S."

UKO International sole lens-making deal to go ahead

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

UKO International will be left as the sole manufacturer of opthalmic lenses in Britain, after a decision by the U.S.-owned British American Optical to give up making lenses here.

The situation gives the Office of Fair Trading a difficult decision to make.

For BAO, which is a subsidiary of Warner-Lambert, the major American pharmaceutical and optical products group, is to transfer its lens manufacturing plant at Kidwelly, South Wales, to UKO.

Last September, the OFT referred the hotly-contested bid by Pilkington Brothers for UKO to the Monopolies Commission after UKO claimed that Pilkington was attempting to make it a "captive" customer for lens blanks.

However, the OFT has decided to let the deal between UKO and BAO go ahead, even though it will reinforce UKO's monopoly in opthalmic lens making in the U.K.

Behind the decision is the fact that the Kidwelly plant has been making losses and would have closed had UKO not agreed to take it over.

Some 150 people have already been made redundant at the plant, and another 400 jobs were at stake.

Closure would also have left Britain short of opthalmic lens-making capacity. UKO would have had to draw on supplies earmarked for export if it were to satisfy the home market, where it already has 70 per cent. of the available business.

This would both have damaged UKO's export chances and encouraged extra imports.

BAO and UKO have signed a conditional letter of intent for the transfer of the Kidwelly plant, and UKO has promised to undertake substantial investment there. So no redundancies are expected as a result of the proposed sale.

BAO, whose parent, Warner-Lambert, is the world's largest manufacturer of optical lenses, will retain ownership of some of the more modern equipment at Kidwelly and take a substantial proportion of the plant's output for distribution in the U.K. and overseas.

BAO's turnover in the U.K. is around £5.6m. a year compared with £28m. for UKO. The deal is expected to be completed by the week-end.

U.K. 'insular' over policy on fast nuclear reactors

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN'S "insular nuclear attitudes" were preventing any genuine European partnership in nuclear energy, especially fast breeder reactors, Sir Brian Flowers, rector of Imperial College, London, and a part-time Board member of the U.K. Atomic Energy Authority, told nuclear engineers in London last night.

Given enthusiastic political leadership, said Sir Brian, Britain, could exchange its fast reactor experience with other European nations, so that any large-scale U.K. project would also incorporate full European experience.

Sir Brian, who was chairman of the Royal Commission on Environmental Pollution until September and was responsible for its controversial report on Nuclear Power and the Environment, yesterday defended the Commission's findings at a meeting of the British Nuclear Energy Society.

Britain's first full-scale fast breeder reactor should be built on a remote site with its own fuel repocessing and manufacturing facilities, he said.

It should be planned in such a way that after the first loading of fuel there would be no need for substantial quantities of plutonium to enter or leave the site.

It was hardly likely, he said, that the outcome would justify the term "commercial fast reactor." But he believed that the project could be executed in an environmentally acceptable way "provided there is no commitment to an ongoing programme."

He saw "no need for undue speed, even if one believes there is no avoiding fast reactors and the plutonium economy they entail."

Thermal reactor development had proved to be within the capacity of the U.K.—"but only just." Fast reactor development was likely to be beyond its resources.

It seemed essential that if Britain pursued the fast reactor it should do so as a European partnership. But as long as its insular nuclear attitudes persisted it was unlikely to qualify for a genuine European partnership.

"With enthusiastic political leadership, however, I believe it would still be possible to achieve a situation whereby in exchange for experience of PFR (prototype fast reactor) we could acquire experience of comparable developments elsewhere in Europe, where there are incidentally comparable debates taking place, so that if and when we do eventually go ahead it will be on a commercially viable European basis, and one to which all the skills in Europe have contributed."

In the 250MW prototype fast reactor at Dounreay, said Sir Briain, Britain had "a magnificant piece of equipment." He was confident that a great deal would be learned about the full-scale fast reactor and its hazards by studying the behaviour of prototype fast reactors under the wide variety of carefully controlled conditions which they were designed to be subjected. Britain would still be learning a great deal from it in "five or even ten years' time."

In dealing with some of the numerous points of criticism raised about the Royal Commission's report—which was widely interpreted by opponents of nuclear energy as condemnatory of the fast reactor concept—Sir Brian conceded that the report's most serious omission in its discussion of the fast reactor was any reference to the Doppler effect—"which contributes so much to its safety."

The omission "may have mislead the general reader insofar as he might have been comforted to know that fast reactors contain this inbuilt safety mechanism."

More generally, he said that the Fox Commission in Australia had come to "remarkably similar conclusions" about nuclear energy development, and its report complemented that of the Royal Commission insofar as it dealt "at length and with manifest authority" with such issues as world energy consumption, energy resources, and weaknesses in the Non-Proliferation Treaty and safeguard system.

Video tape accepted as shoplifting proof

BY OUR CONSUMER AFFAIRS CORRESPONDENT

TWO magistrates' courts have accepted a video-taped recording of shop thefts as evidence in two cases which may set a precedent in the fight against shoplifting. In both instances the shoplifters were recorded on video tape by an in-store closed circuit television camera. The tape was played back in Court.

Though many stores use closed-circuit television to watch customers only a minority have the equipment for recording. Acceptance of video recordings in evidence at Luton, Beds., and Liverpool may encourage more stores to invest in video.

In the Liverpool case a store detective watching the closed circuit television saw three youths take two hair-dryers. He put the machine on record but was too late getting down to the shopfloor to make an arrest.

Two days later the youths came back and the detective arrested them. Though the hair-dryers were not found, the field record of the theft was accepted as evidence and the youths were convicted.

At Luton a husband and wife were filmed stealing a pair of curtains worth about £40. When the couple appeared in court the wife pleaded guilty and the husband not guilty. After a film of the theft had been shown the husband was also found guilty.

Shop theft this year is expected to total £500m., about 2 per cent. of total retail turnover.

Two Comex executives to set up own business

BY KEVIN DONE, INDUSTRIAL STAFF

THE MANAGING director and general manager of French-owned Comex Diving, one of the leading underwater engineering and diving companies operating in the U.K. sector of the North Sea, are leaving the company to set up their own business in Aberdeen.

Mr. Malcolm Williams, the general manager, said yesterday that they intended to set up their own diving company in order to establish for the first time a British company in a major, dominant role in diving engineering.

"For many years there has been a predominance of British divers around the world, as there is in the North Sea, but the sad situation is that there has never been a British company in a major role."

Mr. Rick Wharton, Comex's managing director, and Mr. Williams have been with the French company for several years, during which it has become the largest underwater engineering and diving company operating in the North Sea with a full-scale training and technical headquarters in Aberdeen.

Procedures

The diving market in the U.K. sector of the North Sea alone is now worth between £60m. and £65m. with Comex accounting for about 30 per cent. of that.

Mr. Wharton and Mr. Williams say they have already secured financial backing in principle from international banking sources in the U.K., but they will remain in control of the equity of the company.

They hope to begin diving operations in the second half of next year, initially with systems and procedures designed by other companies, and are looking at overseas markets to provide part of the business.

'Euro-law' decides case

THREE APPEAL Court judges in London took a European view of the law yesterday when they agreed that James Buchanan, the whisky distillers, should recover £30,000 Excise duty it paid out when 1,000 cases of export whisky were stolen in East London while being taken by road to Iran.

They dismissed an appeal by Babco Forwarding and Shipping (U.K.), of London, which, as carriers of the whisky, had sought under an international agreement to limit its liability to paying Buchanan the duty-free cost of the stolen whisky—£7,000.

Babco was given leave to appeal to the Lords.

Lord Denning, Master of the Rolls, giving a reserved judgment, said that when in Rome one must do as the Romans do. So, in the European Community one must do as the European Court would do in interpreting an international agreement.

"We should interpret it in the same spirit and by the same methods as the judges of the other countries do," Lord Denning said. "Applying that 'new method'" it was clear that Buchanan must succeed.

Lord Justice Roskill and Lord Justice Lawton agreed that the carrier's appeal against a decision of a High Court Master ordering it to pay the entire £37,000 should be dismissed.

The whisky was being carried under terms and conditions agreed at an international convention in Geneva introduced into English law by the Carriage of Goods Act.

Morning Cloud sold to Belgian yachtsman

MORNING CLOUD, Mr. Edward Heath's yacht, has been sold to a Belgian yachtsman, Mr. Albert Moorkens.

Mr. Moorkens, a member of the Yacht Club Nieuport, Belgium, and the Royal Ocean Racing Club, will rename the yacht Phantom II and hopes to be selected for the Belgium Admirals Cup team for the 1977 international series.

Morning Cloud will probably sail for Belgium early in the new year after a routine refit at Berthon Boat's yard at Lymington.

The refit may include carrying out some modifications to the hull and rig, to take advantage of recent changes in the rating rule for racing yachts.

Go-ahead for Swansea plan

A £230,000 scheme to build a block of four factory units at Forestfach Industrial Estate, Swansea, has been given the go-ahead by the Welsh Development Agency.

LABOUR NEWS

Lord McCarthy suggests NHS Whitley changes

BY DAVID CHURCHILL, LABOUR STAFF

RADICAL PROPOSALS for re-structuring negotiating machinery covering over 1m. workers in the National Health Servic were made yesterday by Lord McCarthy, an industrial relations adviser to the Department of Health and Social Security, in a special report on the Whitley Council bargaining system.

In his report Lord McCarthy calls for reduction of the dominan influence of Government officials in the NHS Whitley system: decentralisation of collective bargaining arrangements; and fewer organisations able to participate in the system.

These three main recommendations, expected to b implemented after discussions between management and staff represntatives in the next few month, have been criticised by TUC-affiliated unions in the NHS which had hoped the report would go much further to give them the dominant voice in collective bargaining.

In particular, the unions are upset that Lord McCarthy, a Left-winger appointed by Mrs. Barbara Castle when she was Secretary of State, did not exclude non-trade unions from representation on the Whitley system. Fears that he would recommend such a step had already led the Royal Colleges of Midwives and Nursing to seek trade union status to ensure their future participation.

But the report does conclude that the 43 trade unions and professional associations with the right at present to sit on the Whiteley councils are too numerous to make the system effective.

Many of the 43 are too small, it claims, to conduct effective collective bargaining and consultation at all levels.

PR system urged

To remedy this, the report recommends that the number of seats be allocated by a proportional representation system based on membership criteria stabilised after detailed verification by the Department. This would lead to "significant reductions in the total number of staff side seas on particular councils."

Lord McCarthy suggests that trade unions in the NHS decide among themselves "spheres of influence" to end wasteful competition between them.

He responded to trade union claims that management negotiators on the Whitley system have not had sufficient authority to conclude agreements with union representatives. This has helped produce the delays and arguments over the system which led to the inquiry being set up in April 1975.

Due to the size of the NHS, the report calls for a decentralisation of collective bargaining on salaries and job-grading to prevent anomalies that led to frustration at local level. National negotiations should contain enough flexibility to allow local variations. Lord McCarthy suggests a system of regional Whitley councils.

The report was criticised last night by Mr. Albert Spanswick, general secretary of the Confederation of Health Service Employees, who described it as a disappointment and accused Lord McCarthy of "dodging the issue"

The Association of Scientific, Technical and Managerial Staffs, while welcoming the report as a step towards rationalisation, again stressed the point that representation should have been limited to TUC-affiliated unions.

Tories plan new attack over jobless

By Our Labour Staff

THE FIRST shots in a renewed Conservative Party campaign to nail the Government for its acceptance of record post-war unemployment are expected to be fired to-day by Mr. James Prior, Opposition spokesman on unemployment.

Mr. Prior is likely to demand that the Government should face the fact that is employment target, like its target for single-figure inflation, cannot now be met, and to accuse Ministers of getting themselves in a corner because of their determination to preserve the image of the social contract with the TUC.

Mr. Prior is expected to make his attack when he visits a rally in Coventry to-day mounted by the party's local trade union advisory committee.

The Conservative leaders believe that even the Government's own industria lstrategy—to shift resource from the public sector to manufacturing industry—will not mean a great number of new jobs in the short term.

Manufacturing investment, they believe, will in the short run be mainly labour-saving, and the Government's job creation projects will be inadequate to bridge the gap.

At the same time there is no clear indication that the Tories have yet fixed any solution of their own to counteract the result of their call for even greater public expenditure cuts than those forced on the present Government by sterling devaluation.

Leyland tuners' talks postponed

BY ALAN PIKE, LABOUR STAFF

A MEETING of engine tuners on strike at Leyland's Cowley plant was postponed yesterday for management and senior union officials to make efforts to resolve the dispute.

Fundamental differences between the two biggest unions at Cowley are at the base of the stoppage over demands by engine tuners in the Amalgamated Union of Engineering Workers that only skilled men should work on their section. They stopped work last week complaining that seven men without adequate qualifications had been given tuning jobs.

The union, which represents a majority of skilled workers in the plant, has a strong interest in restricting entry to the section but its ambitious are being opposed by the Transport and General Workers' Union which represents most of the semi-skilled men.

Transport union shop stewards had stressed that they do not believe the engineering union move is in the best interests of the majority of workers and are co-operating with company efforts to maintain production despite the strike. This, combined with the fact that Cowley still is recovering from component shortages caused by other disputes, has prevented the action having a serious impact, although some cars which would be rectified by the strikers are leaving the factory for attention by Leyland dealers.

Officials of both unions attended talks yesterday with the company in Oxford and the meeting of strikers arranged for yesterday will take place this morning.

A previous strike over status by Cowley tuners led to an inquiry by the Advisory Conciliation and Arbitration Service which recommended that they should be placed in a new job category. Many semi-skilled workers fear that the engineering union is using tuners to spearhead an attack on Cowley's wage structure.

At present, all production workers, including groups such as tuners, receive a standard weekly rate of £63.20 and this is a principle which semi-skilled workers are determined to preserve.

● Car body production at Ford's Halewood, Merseyside, resumed yesterday after Wednesday's half-day stoppage by 730 body plant workers protesting against the suspension of a welder. About 500 other workers had to be laid off.

The welder was suspended on Monday for three days for refusing to carry out an instruction to use a spare welding gun when the one he had been using broke down.

Teacher loses 'sex discrimination' claim

A WOMAN art teacher yesterday lost the latest round of her battle to prove that she was the victim of sex discrimination when a man was made head of a school's art department.

Mrs. Carol Ann Amies, of West Kensington, London, claimed that in October, 1975, when she was deputy head of art at the Christopher Wren Boys Secondary School, Shepherds Bush, London, she was passed over for the job of department head because she was a woman.

She took her case to a London industrial tribunal on April 27, which ruled that, as the appointment was made in October, 1975, before part 2 of the Act became law, Mrs. Amies was not entitled to bring her claim against the Inner London Education Authority.

The Employment Appeal Tribunal yesterday upheld the decision.

She argued that, although the man was appointed before the relevant part of the Act became law, the effect of his appointment on her continued after the Act became law.

She alleged that all head of department and senior posts at the school were the "exclusive preserve" of male teachers, even though 20 per cent. of the staff are women. Mrs. Amies said she would appeal to the Appeal Court.

ASTMS plans meeting on nationalisation

By Our Labour Staff

A CONFERENCE of the Association of Scientific, Technical and Managerial Staffs insurance group will be held early next February to resolve the union's attitude to Labour Party plans for nationalisation of the financial sector

This follows a decision by the ASTMS insurance section earlier this year not to support the Labour Party proposals, a decision which led to ASTMS abstaining on the issue at both the TUC and Labour Party conferences this year.

The ASTMS criticisms of the nationalisation proposals stem from what they claim has been a lack of consultation over the issue.

The union argues that the draft plans would not lead to a significant improvement in the effectiveness of the finance sector in helping industrial investment, as well as possibly leading to a loss of business to non-nationalised financial institutions.

The Labour Party's document also ignores, claims ASTMS, the role of insurance brokers who are able to direct business to one company or another.

Demand for attention to fishermen's safety

BY OUR LABOUR STAFF

SPECIAL attention to the safety and working conditions of Britain's trawlermen are demanded by the Transport and General Workers Union in a policy document

The TGWU says that union safety representatives should be appointed in every fishing port, and that every vessel should have a trained first-aid man on board.

Its call for safety representatives comes at a time when the TUC and the Health and Safety Commission on which it is represented are up in arms over the Government's decision to postpone indefinitely on grounds of cost implementation of the relevant parts of the Health and Safety at Work Act.

The union also says it wants decasualisation of the labour force, stricter control of working hours, and longer holidays. It draws parallels with improvements won by Merchant Navy seamen in recent years.

Canadian fibres factory

A CANADIAN-based company, which processes man-made fibres for the carpet industry, is to set up operations in Dumfries, it was announced yesterday.

The company, Kingston Spinners, of Kingston, Ontario, will start production next year in temporary premises.

Negotiations are in progress with the Scottish Development Agency for the construction of a factory of about 12,000 square feet possibly rising over about five years to 150,000 square feet.

Stamp issues

SPECIAL STAMP issues next year include a series on the Queen's Silver Jubilee, British achievements in chemistry, the Commonwealth Heads of Government meeting, the centenary of Wimbledon, Christmas, and British wild life, Lord Winterbottom, a Government spokesman, said in the Lords yesterday.

Blue Circle appeal rejected

BY OUR LABOUR STAFF

A STAFF association refused a certificate of independence as a trade union was "penetrated at every point by the interference and control of the management," the Employment Appeal Tribunal said yesterday.

Mr. Justice Cumming-Bruce was explaining the Tribunal's decision to reject an appeal by the Blue Circle Staff Association which represents 3,139 white-collar employees of the building materials group

It was the first such judgment on the politically controversial question of certification of small staff associations who have been queuing for a seal of approval which confers access to recognition and information disclosure advantages under the Employment Protection Act.

The judge complimented the Certification Officer, Mr. John Edwards, on his handling of the Blue Circle application, and said that the association had yet to prove it had "shaken off the paternal control which brought it into existence and fostered its growth."

His decision will not encourage four other small staff associations whose appeals against Mr. Edwards' decision not to grant them certificates will be heard after Christmas. They are the staff associations of S. W. Farmer, A Monk, Dean Clough and Squibb U.K.

The TUC recently met Mr. Albert Booth, Employment Secretary, to ask that the procedure be tightened up so that one of the criteria for certification should be the impact on industrial relations in the firm concerned.

CHEMICALS FROM NORTH SEA OIL AND GAS

BY RHYS DAVID

Value from the North Sea fields

THE WORST that could happen to Britain's oil and gas reserves next to mortgaging them in return for loans needed to boost the economy, is that they should be simply burnt as fuel. This is why two developments from within Britain's chemical industry are now viewed with some relief in the Departments of Energy and Industry.

Last month Shell made its long-delayed announcement that work was to begin on detailed process design for a 350,000 tonnes per year ethylene plant, to be built at Stanlow in Cheshire, at a cost fo £200m. Esso, another of Britain's big chemical producers, has also said it is at an earlier stage in the evaluation of a plant to manufacture ethylene—the basic building block used in nearly one-third of all petrochemicals—using not oil but gas from the Brent Field.

Esso's plant, if it gets the go-ahead, is likely to be on a site near Cowdenbeath in Fife, alongside a plant now about to be built to separate methane—the natural gas supplied by the British Gas Corporation to domestic and industrial consumers—from other gas liquids, ethane, propane and butane, three potential petrochemical feedstocks.

Though neither company is likely to take a decision for some time, their studies follow a period of considerable prompting by the Government, anxious to see value added to oil and gas, by creating goods that can be exported and can replace imports into the U.K. of finished and semi-finished products such as plastics.

Earlier this year, the chemicals economic development committee in a report on the industry's prospects pointed out that Britain, because of the security of supply offered by North Sea energy, and the availability of sites, deserved to become a favoured location for new European chemical projects. This message was repeated by the chemicals sector working party in its input to the Government's industrial strategy document.

More recently Mr. Eric Varley, Secretary for Industry, issued a direct appeal for chemical industry investment, advocating the construction of no fewer than four new ethylene-producing crackers by 1985. "It will be in the national interest that the right industrial projects take place, at the right sites, on time, and on a commercially viable basis. My department is already discussing a number of projects with companies and I would invite the industry to come forward with further specific proposals as soon as possible," he stated.

But although the Shell and Esso plans are a step in the direction, the Minister indicates there remains a substantial gap between the enthusiasm now being shown by Government over investment in large new plants and the reaction of the industry.

The Government is particularly anxious that gas which arises with oil in the North Sea, as in the Brent field, should not be wastefully burnt off, and indeed companies have to obtain consent to do this. As an alternative, the Government is pushing hard the idea of ethane-based ethylene plants, as that now being studied by Esso.

The results of a study commissioned by the Government from the consultants Williams-Merz into the feasibility of bringing together the quantities of gas available from the different parts of the North Sea to create a large feedstock base for petrochemicals production was published earlier this year. This concluded that the necessary pipeline network could be built, though at a cost of £1.5bn. and that up to 9m. tonnes of natural gas liquids could be made available. In addition, the Brent field is expected to produce some 2m. tonnes of NGL. Ethane, the product most likely to be used in the short and medium term for ethylene production, will account for around 800,000 tonnes of the total gas liquids.

The industry for its part, however, has been devoting much of its efforts to impressing on the Government the commercial, marketing and technical problems the developments now being planned might suffer. There may be some element of over-statement in these arguments, but its caution is perhaps understandable.

Mr. Bill Thomson, chairman of Shell Chemicals, pointed out earlier this year that there were risks in going ahead with plans

Mr. Bill Thomson, chairman of Shell Chemicals: risks in going ahead.

on the basis of the main existing source of ethane, the Brent Field. The field on its own is likely to be able to supply only one cracker, and the amount of gas available will depend on levels of oil production. The wider gas gathering scheme offers the prospect of greater security of supply over the longer term but it will be very expensive, so diminishing the price advantage ethane has over naphtha, the main raw material for ethylene at present.

The industry is also cautious because of uncertainty over demand for chemicals in Britain and Europe over the next five to 10 years. The Chemical Industries Association felt obliged some months ago to tell the Treasury that its estimates for likely growth by the industry were optimistic, yet it would seem the Department of Industry is basing its case for up to four crackers on just such predictions.

Mr. A. L. Waddams, BP's manager of marketing services put it bluntly at a Society of Chemical Industry seminar at Grangemouth last month. "It is a common fallacy that the vital stage in the development of petroleum chemicals production is availability of indigenous feedstock. The discovery of natural gas liquids in the U.K. or anywhere else does not have any significant effect on demand for the petrochemical products in the market place."

Current capacity for manufacturing ethylene in Western Europe amounts to nearly 13m. tonnes a year with the U.K. accounting for 1.6m. tonnes. By 1980 capacity could have risen in Europe to nearly 18m. tonnes with the U.K. share up to 2.2m.—the bulk of the increase being accounted for by the 550,000 tonnes BP-ICI cracker due to come on stream at Teesside next year.

The industry is forecasting ethylene capacity requirements in 1985 at 23m. tonnes in Europe, assuming an average 3 per cent. a year growth rate in Gross National Product in the period 1980-85. If the U.K. economy grows at the same rate, there will be a need for total capacity of 3m. tonnes—rather less than would be provided if the four new crackers proposed by the Government all materialise.

The point the industry is seeking to make is that building for export is not quite as simple as it may sound. According to Mr. Thomson, the U.K. cannot afford to build more than it needs unless there is a slowdown in the building of crackers and plants for derivatives on the Continent, so providing an opportunity for increased sales overseas.

This could happen if Continental companies begin to take increased interest in the U.K. as a manufacturing base, thus ensuring outlets for products manufactured from U.K. North Sea oil through the marketing networks in Europe. There are few signs of this happening, however, with much of the new investment in petrochemical facilities planned by the European groups currently going to Benelux.

Product mix considerations also enter into the calculations made by the chemical companies over the feedstocks they will want to use. The decline in demand for heavy fuel oil has meant that less oil is being refined and hence less naphtha is available, and tight supplies are expected for some time ahead. As a result, the chemical companies are turning to other parts of the barrel including the lighter end—natural gas liquids—and the heavier end—gas oil—as feedstock sources. Ethane at the lighter end has a disadvantage, however, of not producing propylene, another chemical building block, as a co-product of eythelene.

This is the principal reason why Shell, one of the world's biggest producers of polypropylene, has chosen not to use natural gas liquids from the Brent Field for its projected new cracker. The company is instead converting one of its existing crackers at Carrington to use gas oil as well as naphtha at a cost of £25m. and its new Stanlow cracker, if built, will be able to use either naphtha or gas oil.

It is likely to be arguments of this sort, as well as the more technical considerations, which Shell and Esso will want to clarify before making decisions on whether to go ahead with their plans. Along with chemical companies on the Continent and in the U.S. who may now be considering investment in the U.K., the British companies will want to be sure, too, that the political and economic climate is favourable.

The U.K. is in competition not only with other parts of Europe for possible investment but with the rest of the world—as ICI's decision announced earlier this week to take a share in a $600m. U.S. ethylene plant indicates. Though access to raw materials should give the U.K. a head start, it is clearly only part of the picture.

ETHYLENE STATISTICS UK and EEC 1975-79

000 tonnes

	1975	1976	1977	1978	1979
U.K.					
Effective capacity	1.530	1.580	1.630	1.960	2.060
Production	990	1.230	1.480	1.828	1.690
Consumption	1.008	1.200	1.440	1.580	1.660
EEC					
Effective capacity	11.430	11.960	13.000	14.230	14.770
Production	7.260	8.850	10.470	11.640	12.450
Consumption	7.070	8.710	10.060	11.020	11.820

Source: Industry Estimates

APPOINTMENTS

Lord Limerick joins William Mallinson

The Earl of Limerick has been appointed an additional director of WILLIAM MALLINSON AND DENNY MOTT. Lord Limerick, a director of Kleinwort Benson and other companies, is also president of the Association of British Chambers of Commerce, a member of the British Overseas Trade Board and chairman of the Committee for Middle East Trade.

★

Mr. Ted Harris has been appointed to the Board of MUSIC FOR PLEASURE (a member of the EMI group) and will be responsible for sales and marketing. He has been with that subsidiary for ten years. Mr. S. W. Shrimpton has become a director of EMI (AUSTRALIA) with responsibility for the company's music operations.

★

Mr. M. A. Hastilow, a member of the GLYNWED Board, will become responsible for the strategic planning of Glynwed group policies in relation to the building industry. He will relinquish his present responsibilities as chairman, Glynwed Tubes and Structures and chief executive, Vogue Bathrooms. Mr. J. M. Hill, at present managing director, Wednesbury Tube, becomes chief executive, Wednesbury Tube, Glynn Bros. and Coventry Tubes Permatube. Mr. D. F. Briscoe, who is managing director of Leisure Kitchen Products, becomes managing director, Glynwed Bathroom and Kitchen Products.

The appointments are affective from December 1.

★

Mr. Michael Davies has been appointed a non-executive director of BROWN BROTHERS CORPORATION. He is a director of Imperial Group and assistant managing director of Imperial Foods.

★

Mr. F. H. Davis, managing director of Robert Jenkins and Company, has become managing director of ROBERT JENKINS (HOLDINGS). Mr. J. R. Davidson, who was production director of Robert Jenkins and Company, has been appointed director and general manager of that company. Mr. J. D. Oakley has joined the holding company Board as a non-executive director.

★

The following appointments have been made to the Board of A. GALLENKAMP AND COMPANY from January 1: Mr. J. C. Z. Martin, a joint managing director: Mr. Peter Hallett, at present managing director, to assume the position of joint managing director and continue as chairman; Mr. K. C. Watkinson, a director.

★

Mr. C. R. Weiss has been appointed secretary of NEGRETTI AND ZAMBRA in succession to Mr. W. C. W. Thompson, who continues as group financial director.

★

Mr. W. G. Andrews has been appointed a director of POWELL DUFFRYN. He joined the group in 1964 and was appointed managing director of Andrews-Weatherfoil in 1973, a position he retains. He will be responsible to the Board for the building services contracting and pollution control divisions.

★

Mr. Michael G. Phillips has accepted an invitation to join the Board of M. K. ELECTRIC HOLDINGS. He is at present chairman and joint managing director of UBM Group.

★

POLYMARK INTERNATIONAL states that Mr. Albert Beja, managing director of its French subsidiary company, Polymark France S.A., will join the Board of the parent company on January 1.

★

Mr. Den Howard-Baker has resigned from the Board of HIGHGATE AND JOB GROUP to reduce his commitments.

★

Mr. W. K. Jackson has been made financial controller of BRIGGS AMASCO, a member of the Tarmac Group, in place of the late Mr. W. Stalley.

★

Mr. J. E. Blakstad has been appointed executive sales director of BRASWAY, tube division.

★

Mr. Peter Wood has been appointed a director of A. G. STANLEY. He was previously Southern Region manager.

★

Mr. E. O. L. Vaughan, deputy chief general manager and a director of Lloyds Bank, has been appointed a director of GRINDLAYS BANK.

★

Mr. R. S. Palmer, works director of ECONOMIC PRESSWORK, has been appointed managing director.

★

Mr. Lionel Barker, sales manager of Fisons Garden Products, is to join THOMAS ROCHFORD AND SONS in January as sales and marketing director.

★

Mr. W. P. Gilmour has been appointed chairman of M. MOLE AND SON following the retirement of Mr. F. J. Potter from his position as chairman and director.

★

Mr. M. W. Goodman has joined HEAL'S CONTRACTS as export director. He was previously a director of Blanchard Furnishing.

★

Mr. J. H. Russell has been appointed deputy chairman of DUPORT, and continues as group managing director.

★

Mr. G. R. Herrick has been appointed chairman of the KNITTING, LACE AND NET INDUSTRY TRAINING BOARD in place of Mr. Babington Smith. Mr. Herrick retired recently as chairman of John Beales Associated Companies.

★

Mr. A. N. G. Dalton has been appointed a director of SUN ALLIANCE AND LONDON INSURANCE and of its principal subsidiaries. Mr. Dalton is a joint deputy chairman of English China Clays.

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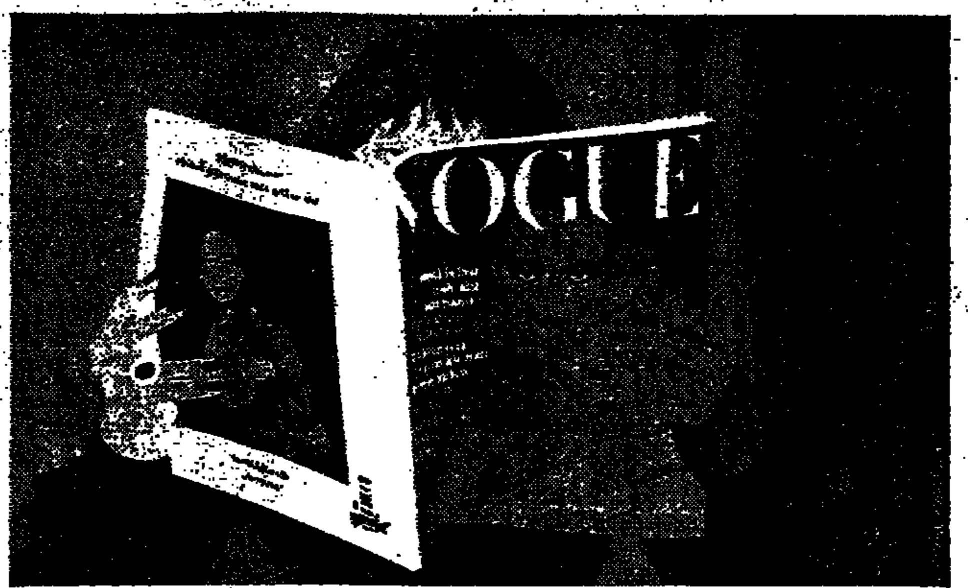

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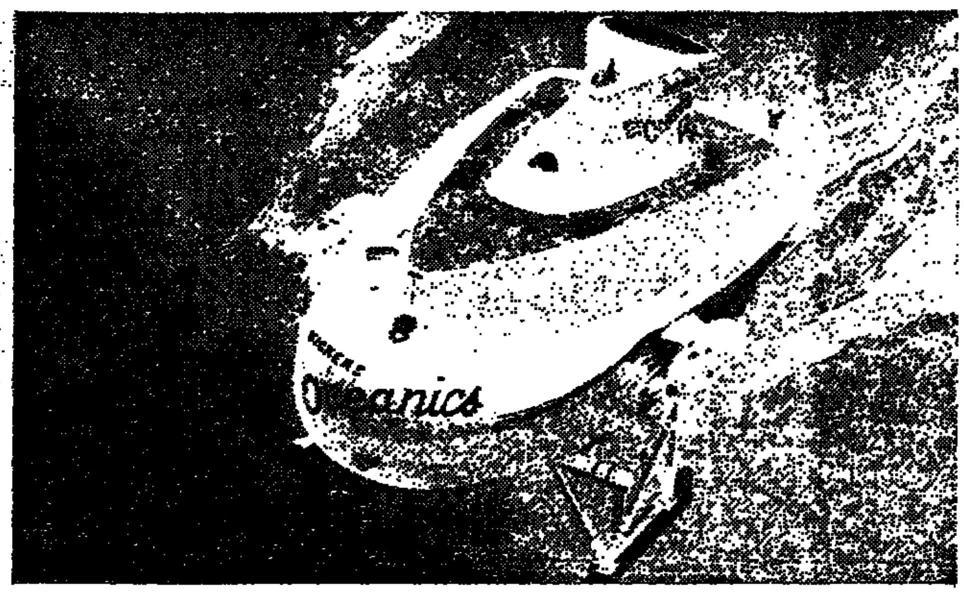

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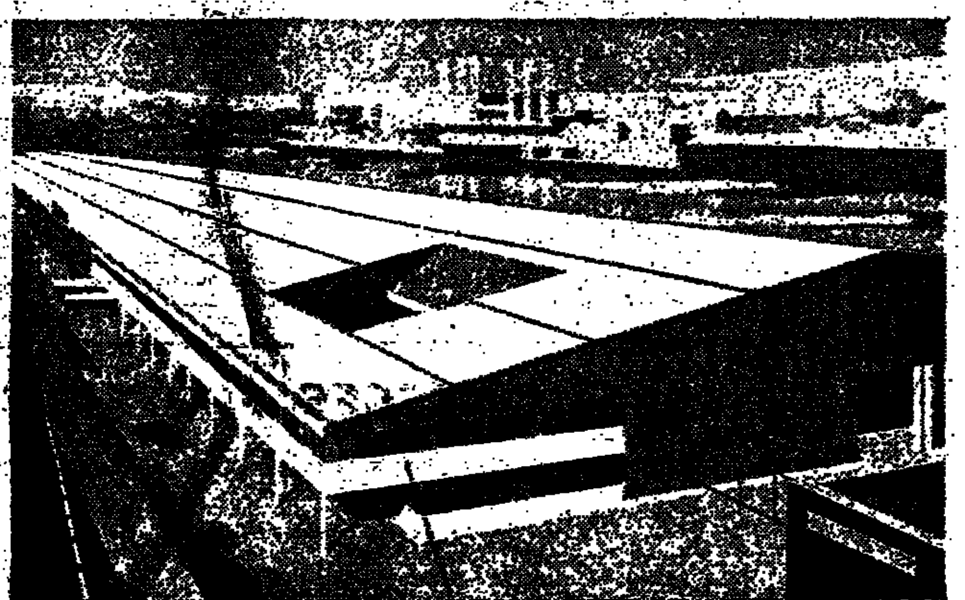

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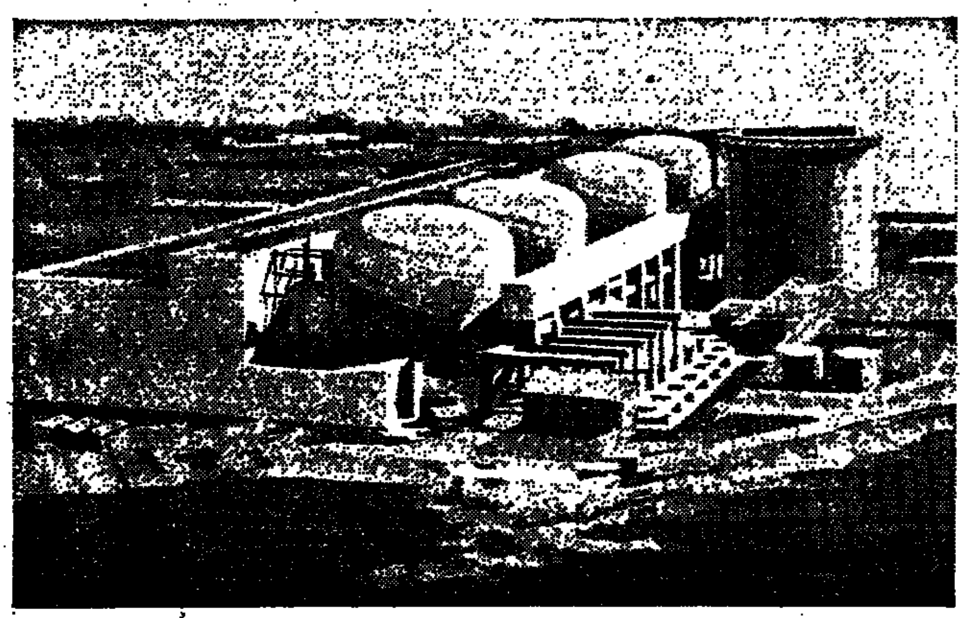

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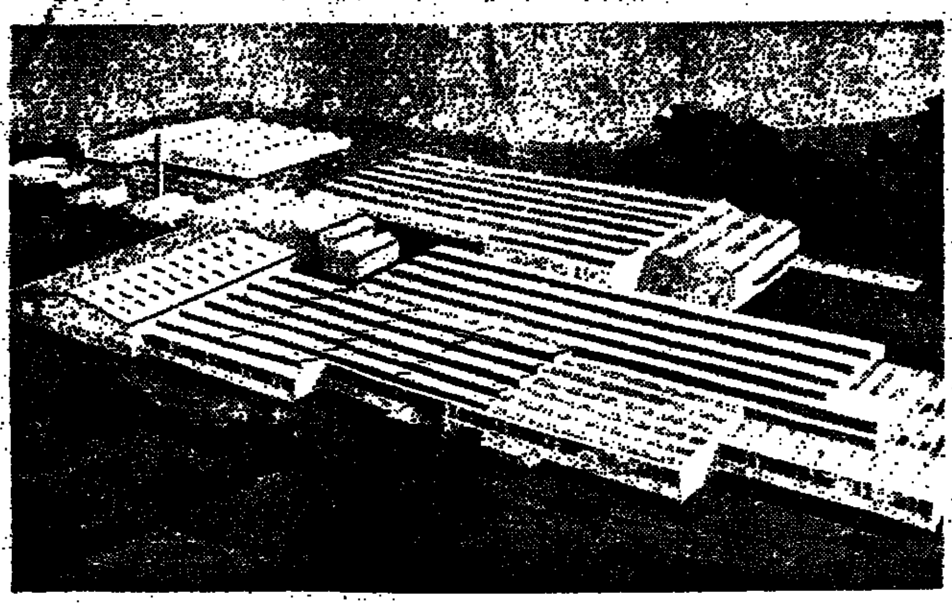

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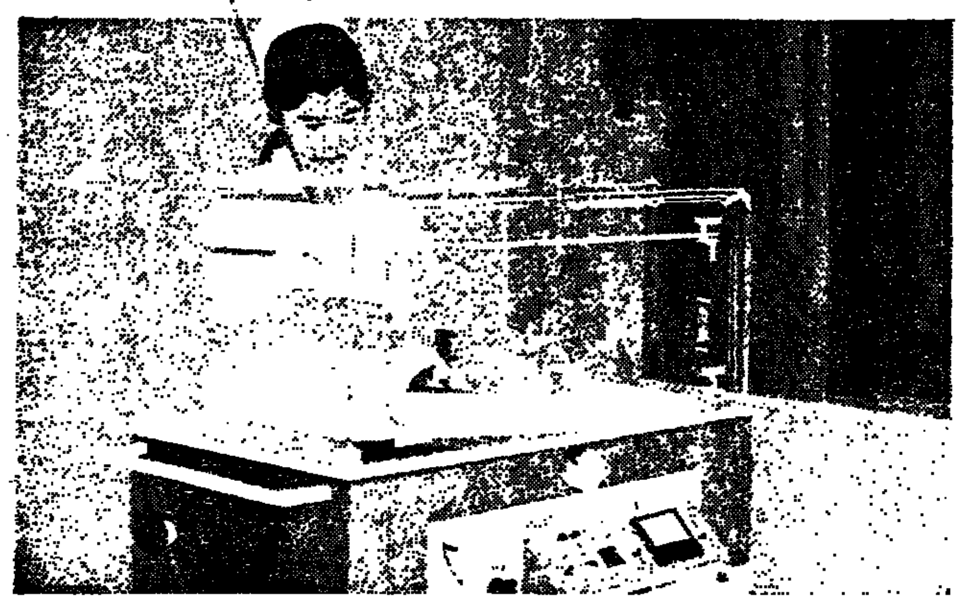

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SECURITY

Signatures called up in a flash

SIMPLE and relatively low-cost equipment is being offered to banks and financial institutions allowing the immediate verification of signatures needed to transact business or release funds without any of the complications of competing systems, and operating very many times faster than costly manual retrieval systems.

Several years' research have gone into the development of the Geac 400 by its Canadian developer, Geac Computers.

It consists of a small, portable camera-type unit for the capture of the signature, a miniature processor and a disc drive. Up to 400,000 signatures are stored on a disc and up to eight discs can be accommodated in a Geac signature centre, giving a capacity per installation of 3m. signatures.

Any number of high definition signature display terminals can be attached to the equipment, over P.O. lines if required.

In use, the capture device digitises original signatures using video camera techniques. Filters built into this unit eliminate extraneous print. It is light and portable and can be operated by untrained staff to convert very large tub files into magnetic records without fuss.

Any number of signatures can be captured for one account number and, more important still, it is no problem to add such data as a daily account balance to the record of the signature. This information can come from an external magnetic tape record or through direct connection to large computers.

Access to the stored signatures—and to the account information if this is also stored—is through the displays, which are of high definition to give a credible signature outline. If an account number or other form of coding is keyed in, the signature will immediately be displayed.

If multiple signatures are needed to validate a transaction on a given account, the keying in of the code will bring up all of them.

Banks, building societies and other organisations now maintaining very large centralised card files can now dispense with them since any branch can call up a signature over a P.O. line and the same can be applied to any other form of information provided it is stored against a code.

Software (operating instruction sets) for the equipment is supplied and installed on a turnkey basis, which means that Geac installs the equipment and gets it running to its own satisfaction before handing over to the user. In effect, this means that Geac is offering to solve a problem directly, with no user intervention other than supplying the information to be digitised and stored.

Geac 400 can be purchased, leased or rented. In the latter case, the cost for a capture unit, small central processor, 300 Megabyte disc drive and six display units would be about £3,500 a month. Shipments will start in January, 1977, with delivery times of eight weeks from the date of order.

This equipment is very simple in concept if it is compared with, for instance, the work done at Stamford Research Institute, which analyses handwriting motion and pressures to make it "virtually" impossible for a forger to obtain funds from an electronic funds transfer terminal system. However, it is immediate and gives a good reproduction of the specimen signature for comparison by a cashier.

Further from Geac Computers, 80 Stokes Croft, Bristol BS1 3QW. Bristol (0272) 425 811. Attention Mr. Isserstedt.

Doubling of spending on security

THE EUROPEAN market for industrial and residential security equipment is forecast to rise from £488m. in 1975 to £764m. in 1980, reaching £1,117m. by 1985.

These figures are quoted in a study by market research specialist, Frost and Sullivan. "Italy is currently the largest market in Europe because of its crime rate, but Germany presents the best market opportunities in the long term," says the report.

With a total population of 258m., the nine European countries covered in the study experience 4,700 crimes per 100,000 persons each year. All told, the number of indictable crimes, of which theft, burglary and robbery account for two-thirds, has doubled since 1966, risen by 40 per cent. since 1971 and went up another 14 per cent. in 1975. The total cost in the nine countries was £5,300m. in goods and property stolen or damaged.

The study forecasts "very significant growth" in the use of security equipment, notably multiple alarm central stations using telephone diallers and computerised information storage/readout facilities.

Imports are thought to account for some 35 per cent. of security equipment installed in the U.K., where the total current market is put at £170m. This is split almost equally between fire and crime prevention.

Further details of the report, Reference E160, from Frost and Sullivan, 110 Strand, London WC2.

● INSTRUMENTS

Magnetic ferrous segregator

VARIATIONS IN composition, heat treated condition, metallurgical structure, hardness and case depth as well as the dimensions of small ferro-magnetic components, can be checked with the aid of the portable Teledictor Type 1136 ferrous segregator.

Either hand-operated with relatively unskilled labour, or automated in conjunction with the company's Type 940 conveyor and 3-way sorting gates, the instrument is said to be capable of testing products at speeds up to 5,000/hr.

It operates on the magnetic bridge principle. A "standard" placed in one of a pair of matched coils is compared with products to be tested being placed in the second coil. When the two coil systems are in balance, that is, test sample and standard are of similar parameters, a straight line is shown on an oscilloscope screen. If the test sample differs from the standard a signal is produced which is shown as a sine curve, as harmonics, or a combination of both.

A gated monitor is provided with phase adjustment so that out-of-balance signals can be used to sort products into two or three groups. Counters indicate the quantities in each group.

Coils, with stainless steel liners to minimise wear, are available in a variety of shapes, including rectangular, though the most popular is the round bore. They are produced in standard sizes of 50 and 100 mm nominal aperture, but diameters from 3 to 457 mm can be supplied.

Made by Teledictor, Groveland Road, Tipton, West Midlands DY4 7XH (021557 3056), the instrument requires a mains supply.

● COMPUTING

Challenge to the big machines

NOW THAT senior spokesmen for both IBM and Burroughs have gone on to the defensive by saying that large machines, by 1980, will be used mainly for the administration of big databases, computer users' attention inevitably will focus more closely than ever on what new prodigies of power the electronic engineers can pack into a mini or micro machine.

They will have a great deal to examine and among the latest products in this category are those from Varian, which has called one of its offerings "mainframe on a board." This reflects the company's belief that many users will think very carefully about the significance of using a central processor of the latest design, which costs under £2,000, to replace a unit from a general purpose computer builder for which possibly ten to 20 times as much was originally paid.

The three Varian machines culminate in the V77-600 which provides 1m. 16-bit words of main memory, user micro-programming, and fast cache memory for just over £26,000.

They are all aimed at making it much easier for users to employ them in families or hierarchies on communications and data network applications, with shared memory equipment or in distributed networks, without any need for the provision of special communicating interfaces.

Varian is providing an extensive software library and ability to use the machines in a whole series of high level languages. Ability to use the important TOTAL database management subsystem is included.

More from Varian at Russell House, Molesley Road, Walton-on-Thames, Surrey. Walton-on-Thames 28971.

Design aid for micros

SELF-CONTAINED microcomputer design aid called Prompt 80 which is also able to programme read-only memories is announced by Intel. It is supplied complete with keyboard, display unit, PROM programmer, 8080A microcomputer system and parallel and serial interfaces. Memory and input-output capacity can be expanded using standard cards.

An application envisaged by Intel for Prompt 80 is as a specialised PROM programmer peripheral for the Intellec 800 micro development system.

In large projects where several programmers might be working on different sections of the same routine, each of them could have a Prompt to facilitate development and debugging of that particular part of the programme. Sections developed in this way would be linked in the Intellec device. More from 4 Between Towns Road, Cowley, Oxford OX4 3NB (0865 771431).

Printing in silence

OFF-THE-SHELF and low cost thermal printer equipment by Bowmar, announced at Electronica, will print up to 18 columns per line at 29.4 characters or 1.07 lines per second.

The TP-3120's non-impact printing method minimises noise and by reducing the number of moving parts also cuts the printer's size and weight.

Reliability is assisted by the reduction in moving parts and mean time between failure is in excess of 3m. characters with an operating life of 1m. printed lines. The solid-state dot matrix print head can produce any combination of 70 standard ASCII alpha/numeric characters and symbols.

Small size and weight, with low power consumption make it suited for use in microprocessor terminals, point of sale devices and other applications, including medical electronic equipment where the printer's low operating noise is an added advantage.

Bowmar Instrument, 41, High Street, Weybridge, KT13 8BN. Weybridge 51341.

Accurately calibrated mixtures

BOC Special Gases at Morden, South London, can now give an 0.001 per cent. absolute certification accuracy in a new standard of gas mixtures for the instrument calibration market.

Gold Star standard has become possible by the use of the most accurate balance of its kind currently available in the United Kingdom. Each component gas is gravimetrically weighed into full size cylinders on this specially developed high sensitivity instrument.

Certified Gold Star mixtures can be produced in virtually any combination and number of gases as long as the result is neither reactive nor explosive. The preparation tolerance of these mixtures is plus or minus 1 per cent. of component. Gas mixtures to this accuracy are used in calibration of systems employing digital integration, and one of the biggest customers is the motor industry, which has a need for exact exhaust emission controls.

Special Gases each quarter dispatches Gold Star mixture samples to the Environmental Protection Agency of the United States for comparison to ensure parity of standards.

Further from BOC Gas Services on 01-560 2123.

Tests at high volts

USEFUL for testing the insulation of motors, transformers, generators and other electrical equipment is the Check IT unit from Hunting Hivolt, Old Shoreham Road, Shoreham-by-Sea, Sussex (Shoreham 4511).

Supplied complete with leads, probes and case the overall measurements are 8 x 5¾ x 3 in. and the weight 3.3 lb. Operation can be from mains or internal batteries.

Nominally rated at 7 kV, the tester delivers output voltages up to 10 kV at 250 microamps, controlled by a ten-turn potentiometer in which one turn corresponds to one kilovolt. The dial also provides an accurate record of the sample breakdown voltage even after the device may have been tripped out. A meter shows, at pushbutton choice, output kilovolts, or leakage currents of one, 10 or 100 microamps full scale. Auto-trip operates at 130 per cent. of full scale setting.

Ability to measure down to one microamp allows the early stages of insulation breakdown to be detected and the company sees the instrument becoming an adjunct to the multimeter in the engineer's tool kit.

● ENERGY

Fuel costs reduced

INITIAL RESULTS obtained from the first Enertrol installations in the U.K. indicate that the claims made for savings in fuel costs of up to 20 per cent. may be substantiated.

Enertrol is an automatic energy management system, which uses a microprocessor to control all energy loads in a building, and by on/off cycling keeps the fuel bills within the minimum tariff rate.

The first installation was in North London where an Enertrol E1 model was supplied in Marks and Spencer's store at Wood Green in July. Here savings in electricity consumption were about 18 per cent. Capital outlay is expected to be recovered in 18 months.

Because the equipment switches loads such as heating, ventilating and air conditioning on and off on an average 15/20 minute cycle time, rated temperatures may vary by about one degree, not normally noticeable as a change in personal comfort.

At the store, when the ambient temperature was 86 deg. F, the temperature on the first floor was 71 and on the ground floor 69 deg F, only one degree above the design temperature for the air conditioning equipment.

The second installation was at the Post House Hotel at Heathrow Airport. An Enertrol E2 unit was supplied to Trust Houses Forte in September, where it controls only the public areas, not the bedrooms.

The system was invented by CSL in the U.S., where 1,200 units have been installed. The company says that for most installations the capital cost is recouped in 12 to 18 months, or less.

In the U.K. Enertrol is marketed by CSL Energy Management, 3 Clifford Street, London W1X 1RA (01-439 3647). In addition to the installations described, the company reports that it has received orders from Tesco and the Post Office, and that negotiations are in progress with organisations in the retail, brewing, industrial, commercial, and hotel fields, as well as in the public sector. Orders in excess of £½m. are expected in the first year.

Enertrol is designed for firms with electricity bills of at least £1,000/month. It is claimed to be technically far in advance of anything else on the market and can perform all functions of a full computer system at a fraction of the cost and without the overheads of special accommodation, software or trained programmers. Costs range from £2,500, depending on the size of the application.

One unit can control up to 600 individual energy loads (groups or single appliances), but even for very large buildings the normal requirement is only for about 100 loads. The system can be either hardwired (preferable with a new building) or can use the existing circuitry via a multiplexer unit to transmit signals to the controlled appliances.

● PROCESSES

Cuts made without chips

METALS, PLASTICS, rubber, and even paper tube can be cut to length without chips, and usually without dust, on the BMI 315 tube cutter developed by the Addison Tool Co., Westfields Road, London W3 0RE (01-993 1661).

Tube is conveyed to the cut-off length by a hitch feed unit incorporating pneumatic clamping of the workpiece. This is sufficiently powerful to draw tube through an optional two-plane 12-roll straightening unit direct from loose or level wound coils. The maker recommends cutting from coil as this machine eliminates scrap tube ends and handling difficulties associated with straight stock.

On metal tube, output rates of 1,800 to 2,100 pieces/hr can be achieved, while with plastics this rises to 4,000/hr. Tube capacity is from ⅛ to 1¼ inch dia. with a maximum wall thickness of 0.065 inch for metal and ¼ inch for other materials. A machine suitable for pipe up to 3 inch dia. is available.

Production is pre-programmed on a batch counter. The tube remains stationary during cut-off.

● TRANSPORT

Four-wheel drive tractors

TO BE introduced at the Royal Smithfield Show, (Earls Court, London, December 6-10), are ranges of tractors from Lamborghini and White Farm Equipment Co., both including four-wheel drive versions.

The Italian-built Lamborghini machines will develop 115 hp. and 89 hp and will be available in both two and four wheel drive forms. Both have hydraulic three-point linkage with position and draught controls—the larger has a lift end link capacity of 11,025 lb. and the smaller lifts 8,380 lb.

Two new two-wheel drive White Field Boss tractors will be on show, with 135 and 155 hp available at the pto—four-wheel drive versions will be introduced early next year. These machines have a hydraulically actuated differential lock controlled from a dashboard switch.

The tractors are imported and marketed by Maulden Engineering Co., (Beds.), Ampthill Road, Flitwick, Bedford, (05257 2445).

● POWER

MK favours new plug

PERHAPS not surprisingly, MK Electric, the country's biggest supplier of domestic electrical fittings, has also now held a Press conference about the proposed new "Worldwide" standard of mains plug and socket.

Although the stated aim was to present facts rather than take a fixed point of view the company believes on balance that adoption of the new standard "would be in the best interests of the U.K."

Unfortunately, like the BSI and the Department of Prices and Consumer Protection, no figures were forthcoming about the cost to the nation of making the change. Previously published figures which work out at about £3 per household per year over a ten year period were not really refuted; indeed MK managing director Mr. L. G. Hazzard admitted that there is a dearth of real data on the subject and stated that the company would be taking a closer look.

The argument MK believes, goes deeper than immediate cost to U.K. householders (who, for the most part still does not know what is planned).

It revolves much more, claims MK, round the ultimate position in which the U.K. would find itself if it did not ratify. Countries outside the EEC now understood to be in favour include Russia, China, Brazil, Japan and South Africa and Mr. Hazzard believes that there are a number of emergent Middle Eastern, African and Asian countries who will readily accept because they are virtually "starting from scratch."

● HANDLING

Carrying liquids in big bags

TESTS HAVE been successfully completed by British Hovercraft Corporation on polymer-coated nylon bags which will carry liquid non-hazardous chemicals and foodstuffs inside 20-foot ISO containers.

One of the major problems when freighting bulk liquids is countering surges, and this has been overcome with the aid of a harness which is fitted tightly over each bag and connected to anchor rings welded to the container floor.

The harness (an Aeroquip series M10 cargo control strap assembly) creates what amounts to a series of breakwaters along the top and sides of the bag. These reduce the surges to manageable proportions.

The system offers considerable savings to both the shipper and the ship operator, says BHC. When empty, the bag can be folded (when it occupies about 1 cu. metre) and returned at small cost, freeing the dry container for return of conventional cargo.

Liquids already carried include fruit juices, wine, vegetable oil, latex and some non-hazardous chemicals. BHC is negotiating with Lloyd's Register of Shipping and with Continental railway authorities to obtain certificates of approval.

More information from BHC (a Westland group company), East Cowes, Isle of Wight (098382 4101.)

مكبر من الاصل

صكذا من الأصل

Revealing Canon Copiers, the next step forward in copying.

Famous world-wide for sophisticated lenses, cameras and optical equipment, Canon have applied their enormous build-up of experience, vast research and development skills, to the problems of copying systems.

These problems were identified as poor quality of copies, all too frequent periods when machines are out of service and poor response to calls for service.

Proved around the world

Over 15 years of intensive research by Canon went into developing what is truly the New Process for copying (hence individual machines designated by NP).

It incorporates technology that is highly advanced mechanically, optically and electronically.

The system has been tested and proved around the world–America, Europe, Asia–and is now available in the United Kingdom.

Consistent copy quality

A major factor in the international success of the Canon range is consistently high copy quality. Copies are sharp and clear not just after an engineer's visit, but for copy after copy, after copy.

Canon's new copier range incorporates a process that is approximately 50 times more sensitive to light than other systems. They give copies with solids and lines that are exceptionally sharp and clear.

With pictures and half-tones, the tonal range has unusually smooth gradation across the copy image.

Simple to run

Canon copiers also consider the operator.

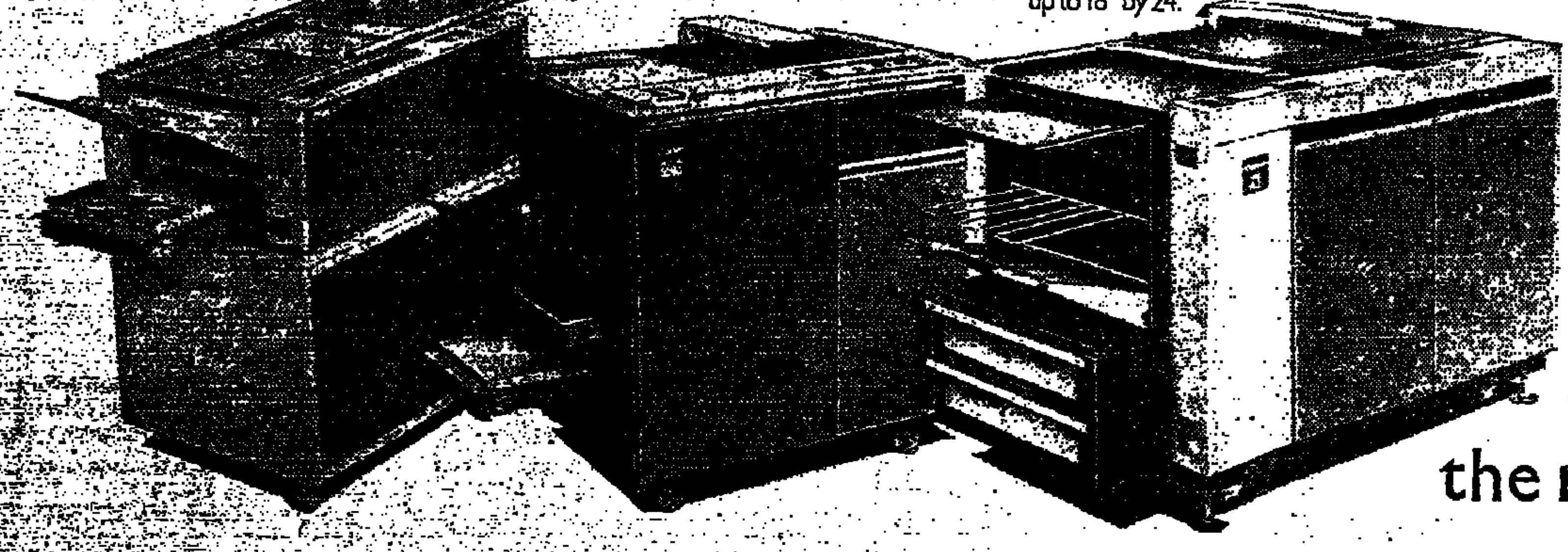
Controls are simple.

Paper loading is made easy with cassettes. On some models paper sizes can be selected by push-button.

The NP-70, A3 capability, competitively priced.

The NP-5000, push-button selection up to A3-size copies.

The NP-A2, the only plain paper copier that will make size-for-size copies of originals up to 18" by 24".



The Canon Total Guarantee Agreement

Every Canon copier installation is part of a Total Guarantee Agreement.

This means to the user that we guarantee that Canon technology and standards of maintenance will assure consistent copy quality.

We guarantee that this same technology and efficient after sales service will ensure maximum machine operational performance.

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All this makes Canon copiers the major step forward in plain paper copying.

The next step forward is now up to you.

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Sunley House, Bedford Park, Croydon CR0 0XF. Telephone: 01-680 1966.

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COMPANY ____________________

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FT 3/12

Canon

the next step forward in copiers.

Employers' surcharge proposal worries MPs

Mrs. Thatcher accuses Foot of trying to railroad Bill

BY JOHN HUNT

THE GOVERNMENT has run into trouble with its plans to push through the Bill introducing the 2 per cent. surcharge on employers' National Insurance contributions from next April.

There was furious opposition from the Conservatives yesterday when Mr. Michael Foot, Leader of the House, announced during business questions that *the Government intends to allow* only two days next week for all the Commons stages of the legislation.

Mrs. Margaret Thatcher, Leader of the Opposition, denounced as an "absolute disgrace" Mr. Foot's proposal to allow a second reading next Monday and have all the remaining Commons stages on Wednesday. She accused him of trying to "railroad" the Bill through the House.

To make matters worse for the Government, there were renewed signs of hostility towards the legislation from Labour backbenchers who are worried that the £1bn. a year which it would *take from employers will lead* to an increase in the number of jobless.

When a financial paving motion on the Bill came up in the Commons late last Tuesday night, some Labour Left wingers threatened that they might not vote for the legislation—the *National Insurance Surcharge* Bill—unless they received further reassurance on the possible repercussions on employment.

On that occasion, Mr. Robert *Sheldon, Financial Secretary* to the Treasury, conceded that he had seen an estimate that the minimum figure of unemployment caused by the Bill up to the fourth quarter after its introduction would be 10,000. But he would not *say what* the maximum figure would be.

Yesterday, Mrs. Thatcher pointed out that the Bill was a major taxation measure. Mr. Foot was trying to push it through the House before people had a chance to study it or make representations. She demanded that it should be removed from Wednesday's business to give an adequate chance for representations to be made.

Mr. Foot told her that he was only prepared to put back the Bill for one day so that the remaining stages could be taken on Thursday rather than Wednesday.

Mrs. Thatcher snapped: "That just is not good enough. The whole reason we are here is to scrutinise taxation and redress grievances. We must not impose them without knowing how they are going to affect our many constituents and organisations."

She called for a reasonable interval of time between second reading and remaining stages. In addition she emphasised that the only opportunity for meaningful discussion of the measure was in the Commons. There was no possibility of the House of Lords revising the legislation as it was a money Bill.

There was a warning shot from the Government benches when Mr. Leslie Spriggs (Lab., St. Helens) told Mr. Foot: "Many on this side of the House wish to have a look at this to see what the effect on unemployment will be in the country as a whole before it is dealt with. Will you consider giving more time for consideration and discussion before the debate?"

But the Leader of the House told him it was intended to proceed along the lines already suggested. He recalled that the measure had originally been announced in the Chancellor's package last July and there had already been considerable time for discussion.

In further protests, Sir Geoffrey Howe, shadow Chancellor of the Exchequer, pointed out that the Bill had only been published on Wednesday. It had then become apparent that the surcharge would also apply to charities and churches and he thought that this was a major departure.

He was supported by Mr. Francis Pym, shadow Leader of the House, who argued that one solution could be to send the Bill to a Standing Committee rather than take all the remaining stages on the floor of the House.

Mr. Foot cautiously promised to look at this suggestion but made no commitment.

● The Government later claimed that it was essential to get the Bill through next week because that is the latest time employers with big pay rolls can make the necessary adjustments to their computer programmes to meet the scheduled introduction of the surcharge in April.

PM sees scope for more arts patronage

THERE WILL be no major changes in the Government's policies towards the arts, Mr. James Callaghan Prime Minister said in a Commons written reply yesterday. He also said there was considerable scope for increasing arts patronage from private individuals and companies.

Replying to former Minister for the Arts, Mr. Hugh Jenkins (Lab Putney), Mr. Callaghan said the Government's policies towards the arts were generally on the right lines.

The present system, under which independent bodies such as the Arts Council had control of the detailed distribution of public funds, would continue.

On patronage, Mr. Callaghan said: "The Government believes that patronage is an important way in which firms can demonstrate their concern for the quality of the environment and of society."

Further industrial sponsorship would be welcome. Artistic enterprises would also have to keep to the maximum the amount earned from the box office.

"The Government attaches importance to the encouragement of artistic activity outside London. The naional companies have an obligation to perform regularly and widely outside the *capital*.

Mr. Callaghan said that the Government invisaged a flourishing partnership between the regional arts associations and the Arts Council in which the council remained the instrument for distributing Government money and the associations provided the best means of bringing together all local interests in a constructive way.

Mr. Callaghan said that the owners or occupiers of historic buildings would be encouraged to continue living in them and maintaining the mwhile giving reasonable access to the public.

Callaghan rejects Tory public spending claim

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

WITH BOTH SIDES of the Commons yesterday seeking clues to the prospective IMF package, Mr. James Callaghan, Prime Minister, disputed a contention by Mrs. Margaret Thatcher that rising levels of public expenditure were a main reason for "our poor industrial performance."

In Mr. Callaghan's view, there was no relationship at all between industrial performance and public expenditure.

"The reason why companies don't invest are many and manifold—as was discovered by Mrs. Thatcher's predecessor, Mr. Heath—and I believe there are reasons here which go far beyond the public sector borrowing requirement," said the Prime Minister at question-time.

"I know this is the sector on which there is much concentration at the present time. But many other elements are concerned," he added.

Mrs. Thatcher retorted that Mr. Joel Barnett, Treasury Chief Secretary, did not agree with the view now being expounded by the Prime Minister. In a speech last Friday, Mr. Barnett had argued that the levels of public expenditure were a very important reason for poor industrial performance, said the Tory leader.

Moreover, the Prime Minister himself had indicated that industry should have absolute priority. "Do you go back on that, too?" she asked.

Mr. Callaghan insisted that Mrs. Thatcher should not put words into his mouth or into the mouth of the Chief Secretary. Quotations from the speeches concerned should be looked at in their context. But certainly major aid for our industrial strategy must come first.

The Prime Minister pursued the point and, plainly with mischief in mind, contended that Mrs. Thatcher, herself, knew what it was like to have her words removed from their background and different accents placed on them. There was, for instance, the difference between saying: "I will never speak to the *Member* for Bexley, Sidcup again!" and "I'll not speak to that man ever again!"

Mrs. Thatcher did not deign to reply, and the Labour side pressed its views.

Mr. Callaghan was asked by Mr. Giles Radice (*Lab., Chester-le-Street*), if he agreed that in the very difficult economic decisions facing the Government the problem was how to restore confidence in sterling and a steady reduction in the borrowing requirement without, at *the* same time deflating further an already deflated economy. It was vital to strike the right balance.

Mr. Callaghan found this description of the needs of the situation unexceptionable. This was indeed the problem facing the country—the need to promote confidence *in overseas holders* of sterling without, at the same time, driving the country into a downward spiral. "I hope we shall come up with the right solution," said the Prime Minister.

But the Labour Left wing had another view. Mr. Norman Atkinson urged Mr. Callaghan to agree that there could be no solution to the country's substantial unemployment without a substantial reduction in the working week.

He asked for an assurance that nothing would prevent the steady reduction of the working week "so that we can bring about the creation of the kind demanded in industry."

Mr. Callaghan looked doubtful. The unemployment problem was clearly affected by the world recession in trade. "But I agree there is a growing structural problem which affects not only this country but the whole Western world.

"When we have a balance of our payments that might well be the time when we will be able to turn to the kind of measures Mr. Atkinson is suggesting—and other countries may have to do the same," said the Prime Minister.

Labour MPs join occupational pensioners' Bill protest

BY JOHN HUNT

THE GOVERNMENT Bill to reduce the unemployment benefit which is paid to those drawing an occupational pension of more than £25 a week came under fire from the Tories and from Labour's own backbenchers during the second reading debate in the Commons last night.

It was severely criticised by Mr. Patrick Jenkin, shadow Social Services Secretary, who claimed that the Government's prescription seemed to be "equal misery for all."

Mr. Patrick Jenkin

Mr. David Ennals, Social Services Secretary, stoutly defended the measure as essential in achieving the Government's public expenditure cuts and said it would produce a soving of about £75m. in a full year. But throughout a long speech he was continually heckled by Labour backbenchers, some of who indicated that they were doubtful about voting for the legislation.

A leading Left winger, Mr. Ian Mikardo (Bethnal Green and Bow) *said many* Labour MPs were puzzled at the measure and would have to decide what to at the end of the day.

Mr. George Cunningham (Lab., Islington and Finsbury) complained that occupational pensioners would be worse off under the new rules. He pointed out that unemployment pay is untaxed whereas occupational pensioners are subject to tax, and reasoned that the new rule would mean that a higher proportion of a pensioner's total income would be subject to tax.

Mr. Robin Corbett (Lab., Hemel Hempstead) argued that some distinction should be made between people who retired voluntarily and those who were forced to retire. He did not think it should be beyond the *wit of the Government to make* this distinction.

In addition to occupational pensions, the Bill also stipulates that the weekly earnings limit above which retirement pensions and other benefits are reduced should remain at £35 in April but should be subject to annual review. It also proposes to remove students' entitlement to supplementary benefits in the Christmas and Easter vacations.

Putting the case for legislation, Mr. Ennals said that in the present economic situation it was commonsense for the Government to sonsider where savings could be made in the social *security budget. This could best* be done by removing or diminishing benefits to people who had adequate financial provision from another source.

"We should take action to ensure that benefits are not made available where the need for them and the case for them is manifestly not established," he said.

Over many years, there had been repeated concern over the *payment of unemployment* benefit to occupational pensioners and this concern had been common to Conservative and Labour Governments.

The best approach was to make any restrictions so that they remedied the acknowledged ill but secured the necessary saving without biting unduly or causing hardship. In practice, he said, it would not be possible to test the availability of occupational *pensioners by offering them a* job.

The arguments for a change in the system were strong in 1968-69 and even stronger now when the need for restraint in Government expenditure was greater than ever.

In addition, it was essential to avoid any misuse or abuse of public funds. "I am convinced that it is right for use now to grasp the nettle with a view to *achieving* what successive Governments have hitherto failed to accomplish," he added.

Mr. Jenkin said Conservatives would not oppose the second reading of the Bill but would try to delete at laer stages the clause depriving occupational pensioners receiving more than £25 a week of unemployment benefit.

He urged that a tax credit scheme would be the best way of lifting a large number of households out of supplementary benefit altogether. The cost of doing this had been reduced because the tax threshold was now so much lower in real terms.

Mr. Jenkin attacked the part of th eBill on new powers of disclosure *by the Inland Revenue*. "How will the confidential information given to the Inland Revenue under strict secrecy by taxpayers be treated when it reaches the Manpower Services Commission, the Employment *Service Agency and the Training* Services Agency?" he asked.

On mobility allowance for the disabled Mr. Jenkin stressed that the cash must offer a real alternative. The £5 a week allowance was not enough to give proper *mobility*. tI was an area where benefits once given should not be taken away unless something else was put in their place.

Tories found it difficult to accept the pensioners' earnings rule. It fell on the elderly and not on the young, was a disincentive to work, and must be clostly to administer.

Mr. Cyril Smith, for the Liberals, attacked the Bill as "silly and ill-conceived." In some ways it was a bad Bill, particularly a section which amounted to a means test on social security benefit.

For elderly people, the opportunity to earn, was the opportunity to feel independent. It was a social argument as well as an economic one.

The Government was ill-advised to introduce this Bill now. The savings were "comparatively puny" and were being taken out of the wrong section of society.

Heathrow noise test planned

By Michael Donne, Aerospace Correspondent

A NEW TECHNIQUE for reducing disturbance from aircraft noise on the easterly approach path to Heathrow Airport between Lambeth and Kew is to be given a six-months' trial from December 30.

Announcing the trial yesterday, Mr. Stanley Clinton Davis, Under-Secretary for Trade, told *the Commons that two* procedures, continuous-descent and managed-drag, would be combined to give a less noisy approach.

Under the continuous-descent technique, an aircraft maintains a steady rate of descent from a much greater height, and distance, cutting out the period of low-level cruise over built-up areas of London.

Heffer warns on devolution Bill

A WARNING that some Labour MPs would defy the Government over the *Devolution Bill* was given in the Commons yesterday by Mr. Eric Heffer (Lab, Walton).

He said that on such a fundamental question of the constitution, MPs from both sides were *not going to worry about* three-line whips.

Mr. Michael Foot, Leader of the House, who had just announced that the second reading of the Bill would be discussed on December 13, said there was no doubt about the Government commitment to it.

Mr. Foot said it was for each MP to judge whether to obey the whip, but he stressed: "The Government believes it is essential, in the interests of the U.K. as a whole, that this measure should go through this session."

The Government recognises that there might be alterations to the Bill as it went through the Commons. "That is only natural. We are certainly not intending to ram this through the without a single amendment."

Mason claims success against terrorists

MR. ROY MASON, Northern Ireland Secretary, yesterday claimed "a high success rate in bringing the gunmen and criminals to justice." There had been a "further decline in popular support for the Provisional IRA," he added.

Mr. Mason rejected a Commons demand by Mrs. Maureen Colquhoun (Lab., Northampton N.), to call in help from the United Nations. "This is a British Government responsibility and not one for the United Nations," he said.

Mr. Mason told MPs that already this year 1,183 people had been charged with terrorist crimes, including 116 with murder and 103 with attempted murder. This was "a measure of the inroads now being made into the ranks of the terrorists."

During the same period, 11? people had been murdered as a result of sectarian and inter-factional assassinations.

In an attack on terrorists on both sides, the Minister said there were a "few gangsters and callous murderers in the ranks of the UVF, UFF and Provisional IRA who are responsible for these sectarian killings."

By far the vast majority of people in Ulster were not involved and did not have hatred towards each other, he declared.

Tory suggests vote check on new Peers

A TORY MP suggested yesterday that before new peers were created there should be checks to see if they intended to vote.

It was rather absurd that Labour's voting strength in the Lords should be abnut 90 when, alone and singlehanded, Sir Harold Wilson had created over 200 life peers, Mr. Douglas Hurd (C Mid-Oxon), said in the Commons.

Mr. James Callaghan, Prime Minister, announcing the new scrutiny committee to examine proposals for political honours, said it would not be part of their responsibility to inquire whether recipients intended to attend the Lords.

The committee is normally changed when a new Prime Minister takes office. The new members are Lord Shackleton (Lab), Chairman, Lord Carr of Hadley (C) and Lord Franks (L).

Credit unions

DISCUSSIONS ARE taking place with representative organisations concerned with credit unions about the possibility of providing a more satisfactory legislative framework for credit unions within the legislation proposed in the White Paper on the licensing and supervision of deposit-taking institutions.

This was disclosed in the Commons yesterday by Mr. Denzil Davies, Treasury Minister of State, in a written reply.

Tory choice

WARWICKSHIRE businessman Mr. Ray Rayner, aged 43, has been adopted as prospective Conservative candidate for Stoke South. The seat is held for Labour by Mr. Jack Ashley.

Next week's business

COMMONS debates next week are:

MONDAY: National Insurance Surcharge Bill, second reading; EEC document on water.

TUESDAY: Aircraft and Shipbuilding Industries Bill, remaining stages.

WEDNESDAY: National Insurance Surcharge Bill, remaining stages.

THURSDAY: Debate on reports of the Committee of Public Accounts and related Departmental replies.

FRIDAY: Fishery Limits Bill, remaining stages.

MONDAY (December 13): Scotland and Wales Bill, second reading.

Lords business is:

TUESDAY: General Rate (Public Utilities) Bill, second reading; Town and Country Planning (Scotland) Bill, second reading; debate on 48th report of the EEC on VAT.

WEDNESDAY: Debate on Royal Commission report on standards of conduct in public life.

THURSDAY: Industrial Relations order; Supplementary Benefits (Amendment) order; debate on the proposed new Highway Code.

Tory MPs top Bills ballot

LABOUR backbenchers had a raw deal in the ballot for Private Members' Bills drawn at the Commons yesterday. Not one appeared in the top six, normally regarded as the maximum number of such Bills that stand much chance of success in a Parliamentary session.

This means that the annual bid by Labour backbenchers to abolish hare coursing must again be regarded as a rank outsider.

The top six names are Mr. John Page (C., Harrow W.), Mr. Julian Ridsdale (C., Harwich), Mr. David Hunt (C., Wirral), Mr. Stephen Ross (L., Isle of Wight), Mr. William Benyon (C., Buckingham), and Mr. Geraint Howells (L., Cardigan).

Written Answers

TRADE

Mr. Teddy Taylor (Cons., Glasgow, Cathcart). Will applications for action against dumping be dealt with without any further dlays than at present when responsibility for anti-dumping measures is taken over by the EEC Commission in July?

Mr. Michael Meacher, Under-Secretary. Yes. The time within which complaints are now dealt with by the EEC is approximately the same as that which applies in the U.K. and arrangements are being made which should ensure that there is no lengthening of this time scale after June30, 1977.

*

Mr. Robert Adley (Cons., Christchurch and Lymington). Sould the Secretary of State ensure that tourist guides are represented on tourist boards in view of their knowledg of the neds and wishes of visitors? *the share register survey which*

*

Mr. Michael Meacher. No. Members of the statutory Tourist Boards are not appointed in a representative capacity, but I am satisfied that they have knowledge and experience which will prompt the Boards to have constant regard to the requirements of the market.

INDUSTRY

Mr. Michael Marshall (Con., Arundel). What is the cost of the share registry survey which is being conducted by the department?

Mr. Leslie Huckfield, Under-Secretary. About £115,000.

Mr. Michael Marshall. How many organisations have refused to take part in the Department of Industry's share register survey; and what percentage this represents of the total sample?

Mr. Leslie Huckfield. All but *two (representing less than one* per cent.) of the 285 companies approached co-operated in the survey.

Mr. Michael Grylls (Con., North West Surrey). With how many British company officials of the department have had discussions designed to lead to the conclusion of a planning agreement, other than those public and private sector companies named by the department earlier in 1976 as being engaged in formal discussions about planning agreements?

Mr. Leslie Huckfield. My officials are currently involved in informal exploratory discussions with a number of companies and announcements will be made as and when discussions with specific companies reach an advanced stage.

*

Mr. Michael Brotherton (Con., Louth). What are the companies wholly-owned by the Government (other than the nationalised corporations); their profits or loss for the latest financial year; and how many people each employ?

Mr. Leslie Huckfield. Appledore Shipbuilders (1,129 employees): A pre-tax loss of £33,123 by the group in the year ended September 30, 1975. Beagle Aircraft. In liquidation. Cable and Wireless (9,514 employees): Year ended March 31, 1976, profit after tax and extraordinary items was £12,024,000. Govan Shipbuilders (5,700 employees): *A loss of* £9,573m. in the year ended December 26, 1975. Herbert (no direct employees): Was formed on December 10, 1975, to purchase all the ordinary shares in Alfred Herbert. Rolls-Royce (1971) (64,083 employees): Year ended December 31, 1975, profit after tax was £2m. SB Realisations (no direct employees): A holding company with an important share in Short Bros. and Harland. Loss attributable to SB Realisations for the year ended August 31, 1975, was £1.695m. Sunderland Shipbuilding and Engineering (6,991 employees): Year ended September 30, 1975, a profit after tax and extraordinary items of £1.823m. Ownership of Rolls-Royce (1971) and Herbert is vested in the National Enterprise Board.

TREASURY

Mr. John Wakenham (Con., Maldon). Is there any further information concerning the withdrawal of Civil Service support to the Voluntary Savings Movement?

Mr. Denzil Davies, *Minister of* State. No. The Voluntary Savings Movement has not yet made proposals to us for its future role without Civil Service staff support and I therefore have nothing at the moment to add to *earlier statements*.

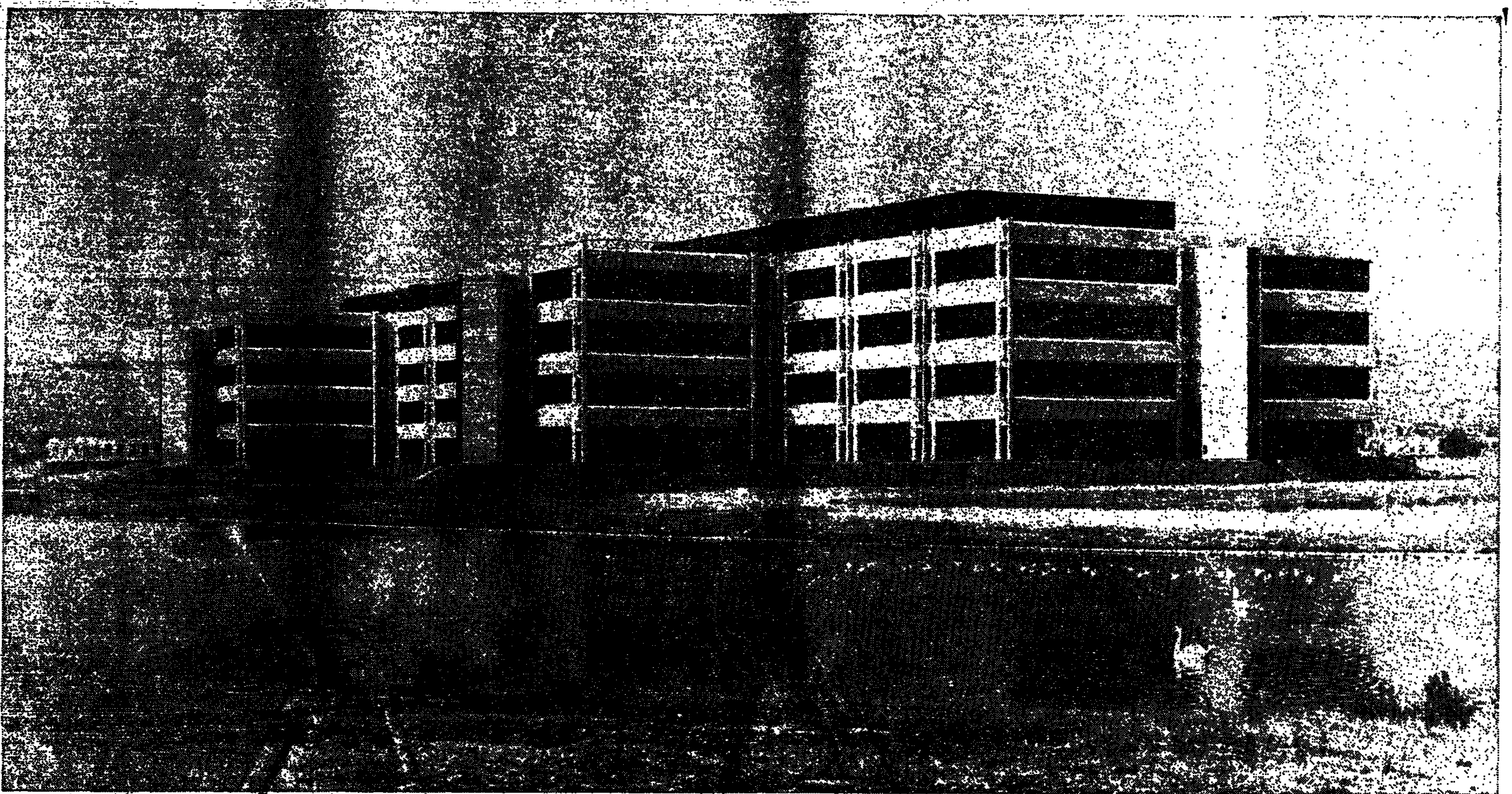
*

Mr. Jeff Rooker (Lab., Perry Parr). What is the estimate of income tax evasion due to "moonlighting." And is that estimate included in the figure of £744.7m. income tax outstanding at October 31, 1975?

Mr. Robert Sheldon, Financial Secretary. It is not possible to estimate the tax loss through evasion, whether by "moonlighting" or other means. The figure referred to therefore does not include any amount in respect of tax so lost.

هكذا من الاصل

IBM'S LATEST VOTE OF CONFIDENCE IN THE BRITISH ECONOMY



OFFICIAL OPENING OF NEW £17M PORTSMOUTH HEADQUARTERS TODAY

Today's opening of the new £17 million IBM headquarters at North Harbour, Portsmouth, marks the latest step in the company's 25 years of growth in the UK.

One of the largest fully air-conditioned buildings in the country, it houses 1,400 staff, of whom over 700 were recruited locally.

The new four-storey building is on a 125-acre site which IBM reclaimed from the sea as a major part of the Portsmouth Harbour reclamation scheme. It occupies 360,000 square feet – more than twice the area of the previous London head office.

Adjacent to it is another new building – of 107,000 square feet – which houses a large computer complex, the European hub of an internal information system that links computers in major IBM locations around the world.

North Harbour is just one example of IBM's continuing investments in Britain. Three other building projects are under way:

The manufacturing plant at Greenock in Scotland is being extended. Other work over the next two years will bring the total building area to 600,000 square feet.

A new block at the Hursley development laboratory near Winchester – IBM's largest outside the USA – will be ready for use next summer.

And due for completion at about the same time is the first phase of the company's new multi-million-pound Midlands Marketing Centre at Warwick.

In addition, a number of other projects are at the planning stage, including the recently-acquired 37-acre site at Greenford, Middlesex.

These investments are all part of a record which, in 25 years, has seen IBM United Kingdom Limited grow from one office with under 100 employees to a direct employer of 13,000 people at over 40 locations throughout Britain.

IBM helps provide more jobs through its need for goods and services. In 1975, for example, this amounted to a purchase value of £50 million, from some 2,700 UK firms, large and small.

The company has also introduced new technology and associated skills to the UK through its activities at the Hursley laboratories and the manufacturing plants at Greenock and Havant. And its products have offered British industry, commerce and government new and more effective ways of increasing productivity.

IBM's other locations throughout the United Kingdom: manufacturing plants, a development laboratory, a scientific centre, administrative offices, education centres and sales offices. IBM's activities include manufacture and marketing of computers, from a portable model to very large systems; and the marketing of advanced office products such as memory typewriters, dictating equipment and photocopiers.

25 YEARS OF GROWTH IN THE UNITED KINGDOM

1951 • IBM United Kingdom Limited formed
• Manufacturing started in temporary premises at Greenock, Scotland
1952 • First IBM computer installed in the UK
1954 • Greenock manufacturing plant opened
• 1,000th employee joined the company
1958 • Development laboratories established at Hursley, Winchester
1961 • Turnover exceeded £4 million
1964 • Greenock plant extended
1965 • Exports exceeded £10 million
• 5,000th employee joined the company
1967 • Manufacturing began at Havant, Hampshire
• New head office occupied at Chiswick, London
• Second Greenock plant extension opened
• IBM Information Services Limited established
• Turnover exceeded £90 million
1968 • Education Centre opened at Sudbury, Middlesex
1969 • Scientific Centre opened at Peterlee, Co. Durham
• Exports exceeded £30 million
• 10,000th employee joined the company
1971 • Turnover exceeded £170 million
1975 • General Business Group formed in the UK, establishing a major new group to service office equipment and small computer users
• Exports exceeded £170 million
• Turnover exceeded £390 million
1976 • New headquarters opened at North Harbour

'We need to re-awaken our slumbering self-confidence as a nation.'

'Bad news, it is said, travels fast. In this country at the moment, bad news seems to be the only kind of news that travels at all.

Businessmen and politicians tend to lay the blame for this at the doors of the media. But perhaps the media are guilty only of reflecting what has recently become one of the country's most debilitating characteristics – a destructive habit of self-denigration.

Of course our conditions are difficult at the moment. Certainly the immediate economic prospects are far from promising. Unquestionably we need to increase industrial investment and responsiveness to the needs of the market-place, and to reduce unemployment. We also need to spend more, rather than less, on the education and training of our youth, to help them make the world a better place to inhabit in the future. And we need to make the present more secure for our disabled and aged.

But we shall not achieve these objectives until we restore overseas confidence in us as a nation, and we shall not do that until we regain confidence in ourselves.

We need to re-awaken our slumbering self-confidence as a nation of industrial and mercantile innovators, and stifle our aptitude for placing the responsibility for our shortcomings at everyone's door but our own. We must revive a belief in our own ability and so restore our faith. We need to marshal our strengths and resources for success.

Government and both sides of industry will have to play their part in this. But I believe that the overall national interest will ultimately prevail.

Perhaps then, good news will begin to travel faster.'

E. R. NIXON, CBE, Managing Director
IBM United Kingdom Limited

IBM
IBM United Kingdom Limited

The Property Market

BY QUENTIN GUIRDHAM

Stock Market unworried by CCA proposals

THE Stock Market has made up its mind that current cost accounting proposals do not endanger the future of property investment companies. Yesterday, though it was said that the rally in property shares was technical, with the jobbers short of stock in some second line companies, the trend was again distinctly bullish.

The argument for buying is that annual valuations will lend credibility to the sector and produce some surprisingly good results in companies like United Real (up 6p yesterday to 182p) which have not revalued for *extremely long periods*—not since it went public in 1961 in the case of United Real. The counter-argument is that depreciation of buildings could impair companies' ability to embark on new projects or even pay dividends. The buyers are not frightened by this for several reasons. Fundamentally, they never bought property shares for income anyway and, at least for the last two years, were looking to the value of existing portfolios and not to any future developments. Besides, the Morpeth proposals are a draft, and the real question comes when the Government decides how to define destributable profits.

Providing for depreciation on buildings is a way of showing the true worth of companies if they are to continue their present scope of business. It need not alter their revenue position, and it would be surprising if the Government decided on some profits definition which crippled a sector which has already provided it with some of its worst financial headaches. There is even the thought that property companies might be able to distribute part of those asset gains attributable to borrowings.

The problem with the proposals lies in whether the suggested method to assess the amount on which depreciation is calculated is workable. The suggestion is to take either the open market value of the property as a whole or, if less, depreciated replacement cost of the buildings. The difference between the two costs will be called a Residual Amount, and this cannot be taken simply to *represent the value of the land*. If a building's market value of £100,000, and its DRC is the same, you cannot deduce from that that the ground is worthless.

Nevertheless, the methods for calculating depreciation are bound to attract continued criticism on the grounds that too many arbitrary factors are involved, the main one being the estimate of the useful life of buildings. This the accountants insist on for all ages of buildings, whereas property opinion favours a limit of 50 years and many experts would give ground further, to say 70 years.

The fact remains, however, that the doubters will continue to feel that any method of calculating depreciation on the present lines involves too much art and not enough science, so that both elements in the appropriation account—the profit and the revaluation surpluses—will be looked at with suspicion.

The Royal Institution of Chartered Surveyors' committee which worked with the accountants has said that it welcomes suggestions on the method, and it will certainly get them. There will also be further attempts to change what is at best a compromise on the question of internal valuations being sampled by external firms.

But what must be hoped will be the most significant by-product of the proposals (and the RICS guidance notes to its members, though they are not applicable to valuers from the other two professional bodies) is a greater uniformity in the standards of valuation. Much work has gone into trying to produce acceptable common standards. While no one pretends that valuers will suddenly start producing identical figures, there has been a real effort to end anomalies in present practice.

BPF suggests alternatives to CLA and DLT

The British Property Federation has produced its *Policy for Land*, designed as "a basis for a durable bipartisan policy aimed at providing the stability and confidence which the property industry so badly needs." It is a comprehensive effort, probably the most serious yet to suggest an alternative policy to the community land scheme. More's the pity that few will see it as bipartisan. Since the Conservative Opposition has so far failed, apart from the thoughts on housing in *The Right Approach* document, to produce any detailed suggestions, the BPF's plans will inevitably be viewed as guidance notes for the new Opposition Environment spokesman, Mr. Michael Heseltine.

Depressingly, the land issue seems to have fallen back into the old trend of the opposition party promising wholesale abolition of existing policy with the certainty that, should they gain power, their opposition will promise to do the same. Gone is the period when there was some unanimity of attitude, if only on the grounds that both parties were determined to clobber developers.

This situation will endure as long as the Community Land Act is still designed to lead, through the designated areas period, to the Second Appointed Day when it is the duty, not the option, of local authorities to purchase all development land. That is the point at which a gradual municipalisation of land begins. The process would take many decades, indeed centuries, before all developable land was taken into public ownership, and the proponents of the scheme could insist that the process was not nationalisation but municipalisation.

But it is this final stage which still prevents even those who agree with many of the principles of the Act from endorsing it. Politically, without that final stage, which Mr. Silkin used to estimate at ten years away, the point of the Act is lost. Practically, if that final stage is not going to be reached, there is little point in the meantime in passing land through the expensive sausage machine of local government.

Mr. Peter Shore, the Environment Secretary, has said that "influential and responsible" organisations have come to the conclusion that they should live with the Land Act. In the light of the Tories' determination to abolish it, he said: "Are we then to go back to some sort of free-for-all that in the end brings good to no one other than a few individuals? I certainly have not heard any sort of constructive alternative put forward that would begin to tackle the true problems of land supply, planning and land values."

Objectives

He quoted among the influential and responsible bodies Mr. John Boynton in his presidential address to the Royal Town Planning Institute, and subsequently might have quoted the presidential address of Mr. Philip Franklin to the Royal Institution of Chartered Surveyors. Keep the bones of the policy, said Mr. Franklin. "It is my personal belief that the latest legislation dealing with land and the taxation of development value could be made to work if it is intelligently amended and shorn of those provisions which were designed for the achievement of extreme political objectives rather than for other purposes." If the Tories felt committed to repealing the Act, let them, he said, but keep the good bits under another name.

The RICS is expected to produce a more detailed policy statement, but until it does it is hard to see quite what Mr. Franklin is getting at. As long as the Community Land Act includes Second Appointed Day provisions it is aimed, by any name, at the eventual nationalisation of land. If land nationalisation is opposed, there is little point in keeping the Act without its backbone.

For the present, Mr. Shore will have a hard task keeping the spirit of the Act alive. The market, both in the sense of local government expenditure cuts and the absence of private sector development schemes, has gone against it. The last total given for land acquired under the Act is 120 acres bought for £1.5m. That contrasts with the public expenditure White Paper's provision of £1m. of acquisitions last financial year and £31.3m. in this one.

With his particular interest in the problems of the inner cities, Mr. Shore will be aware that most of the boroughs concerned see little practical application of the Act for them. Greenfield housing sites are one thing, but positive planning to acquire and redevelop urban land is simply not possible in the majority of cases while developers consider the returns inadequate. The Greater London Council has just seen that however favourably you structure leases, developers cannot be forced to go ahead. Thus the largest proposed development in its Docklands Scheme, the £40m. Southwark Trade Mart, has been postponed indefinitely by Trammel Crow.

Inertia

It is not possible to generalise, but there is evidence of much inertia among local authorities in even getting to understand the machinery of the Land Act. It cannot be encouraging to Government that, with the Act's main advocate, Mr. John Silkin, moved to Agriculture, the land scheme is in danger of slipping into the same backwater that the Land Commission landed in long before the fall of the 1964-70 Labour administration. Mr. Shore's efforts, for the moment, are thought to be directed more at the primary problem, of trying to persuade developers back into the market and particularly back into the housing market where, with estimates of next year's private sector housing completions falling well below this year's 160,000 units, ideas for tempting the insurance companies and pension funds back into the sector are being put forward.

Repeal

The BPF has already produced a housing strategy document, and its new publication is mainly of relevance to commercial development. It does not pretend that the Land Act can be kept in some amended form, saying it would repeal both this and Development Land Tax.

However it would keep from the Act those powers in Section 15 which strengthen local authorities' rights of compulsory purchase and, while it considers Schedule 4 of the Act objectionable in its curtailment of owners' rights of objection, it suggests a provision for expediting compulsory purchase when the owner of a small parcel of land holds up an entire comprehensive development. The BPF has chosen the level of 10 per cent. of the land for the whole scheme as the cut-off point for these special powers to override a minority owner's objections on the analogy of the Companies Acts' rights to compulsorily acquire minority shareholders.

The BPF also makes suggestions, in some detail, aimed at overhauling the administration of planning legislation, but the heart of its arguments must lie in the tax suggestions. Betterment tax is accepted and the rates suggested are at Corporation Tax levels for companies and at personal tax levels for individuals.

Apart from this reduction on the present rates, it also wants a tax which is not payable until a gain is realised (unlike the development provisions of DLT); that is quantifiable when development starts (the machinery is already there through DLT); that is calculated by reference increase in value of the la[nd] only (unlike the first letting charge in Development Gain Tax); that allows relief betterment losses (as in DGT but not DLT); that could be paid stages out of income from profitable development — over eight years is suggested, though the lump sum would be payable immediately in the case of developer selling a building.

Accounts

The interesting addendum these tax suggestions is that local authorities should get proportion of the moneys raised. This idea has presumably been introduced to balance revenue which local authorities are supposed to receive from community land accounts. What the BPF suggests is that Inland Revenue would collect tax but that local authorities would receive the whole of tax in respect of their own purchases of land for their own use and a proportion—30 per cent suggested (the same basic as under the community land scheme)—of the revenue from other purchases within their area. This is explained as a contribution to the authorities' expenditure on infrastructure.

This is a once-and-for-all levy and as such does not satisfy the land scheme's criterion of "the community" sharing in future increases in land values. It could also be argued that providing automatic share for local authorities from the central Government levy is merely a book-keeping exercise and that the scheme would anyway be unacceptable without some form of equalisation between rich and poor boroughs. But the boroughs under the BPF's scheme, could hardly collect less from betterment taxes than they look like doing during the first few years of the community land scheme.

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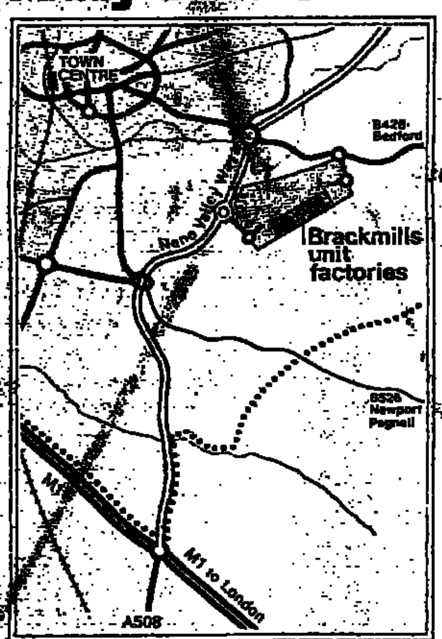
LOOK....LOOK....LOOK....LO

Unit factories Northampton

3000-40 000 sq.ft ready Summer '77



But here's a sign of confidence . . .

New factories costing £900,000 on the way

ANNOUNCING the start of work on £900,000 worth of new factories in the southern area of the town. Northampton Development Corporation said today the decision to go ahead was "a sign of confidence in our ability to attract more new industry to the town."

Work will begin next Monday on 110,000 square feet of unit factories on Brackmills employment area.

The factories will be built on the southern boundary of the employment area beside Houghton Hill and there will be 11 units—varying in size from about 3,000 square feet to 20,000 square feet.

The units have been designed by Northampton Development Corporation's Department of Architecture and Planning, and the contractor will be Balfour Beatty Construction Ltd., a member of the BICC group. The work will be phased over about a year, the largest units being completed first.

This will be the first phase of unit factories on Brackmills, and a further 20 units, totalling about 160,000 square feet, are planned later. The total site area is about 17 acres.

The factories will be finished in aluminium — white vertical cladding over the top of the doors and blue for the roofing. The cladding on ground to door levels will be of light grey blockwork.

To date the Development Corporation has built about 450,000 square feet of unit factories on its employment areas, and they have proved very popular.

"We have an excellent track record," said a spokesman. "At present only three units are available for letting, otherwise all are taken."

The first phase units at Brackmills comprise two of about 20,000 square feet; four of 12,500 square feet; three of 5,000 square feet; and two of nearly 3,000 square feet.

Northampton Chronicle and Echo 16 July 1976

It's only five minutes from these factories to the M1 and then you're only 20 miles from the M1/M6 junction. Northampton's an ideal centre for distribution because it's mid-way between London and Birmingham: most of the country's major towns, ports and airports are within a radius of 100 miles of it too. Northampton's an established town, with excellent shops, schools and leisure facilities. There are plenty of houses for sale and we can offer new rented homes to the employees of firms moving to the town.

Isn't it time you looked at Northampton?

For detailed information about the new unit factories, and other opportunities for sites and buildings write to L Austin-Crowe BSc FRICS, Chief Estate Surveyor, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734.

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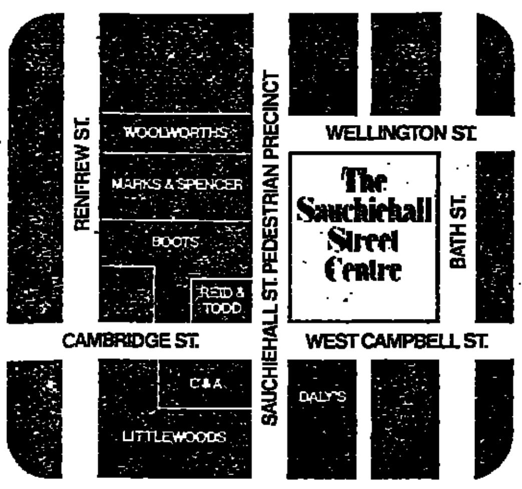
Sauchiehall Street Centre

A new concept in shopping for Glasgow

The Sauchiehall Street Centre offers retailers an unprecedented opportunity to become established in one of the city centre's finest locations alongside national leaders in the retail field, Marks & Spencer, Woolworths, Boots, Littlewoods, C. & A.

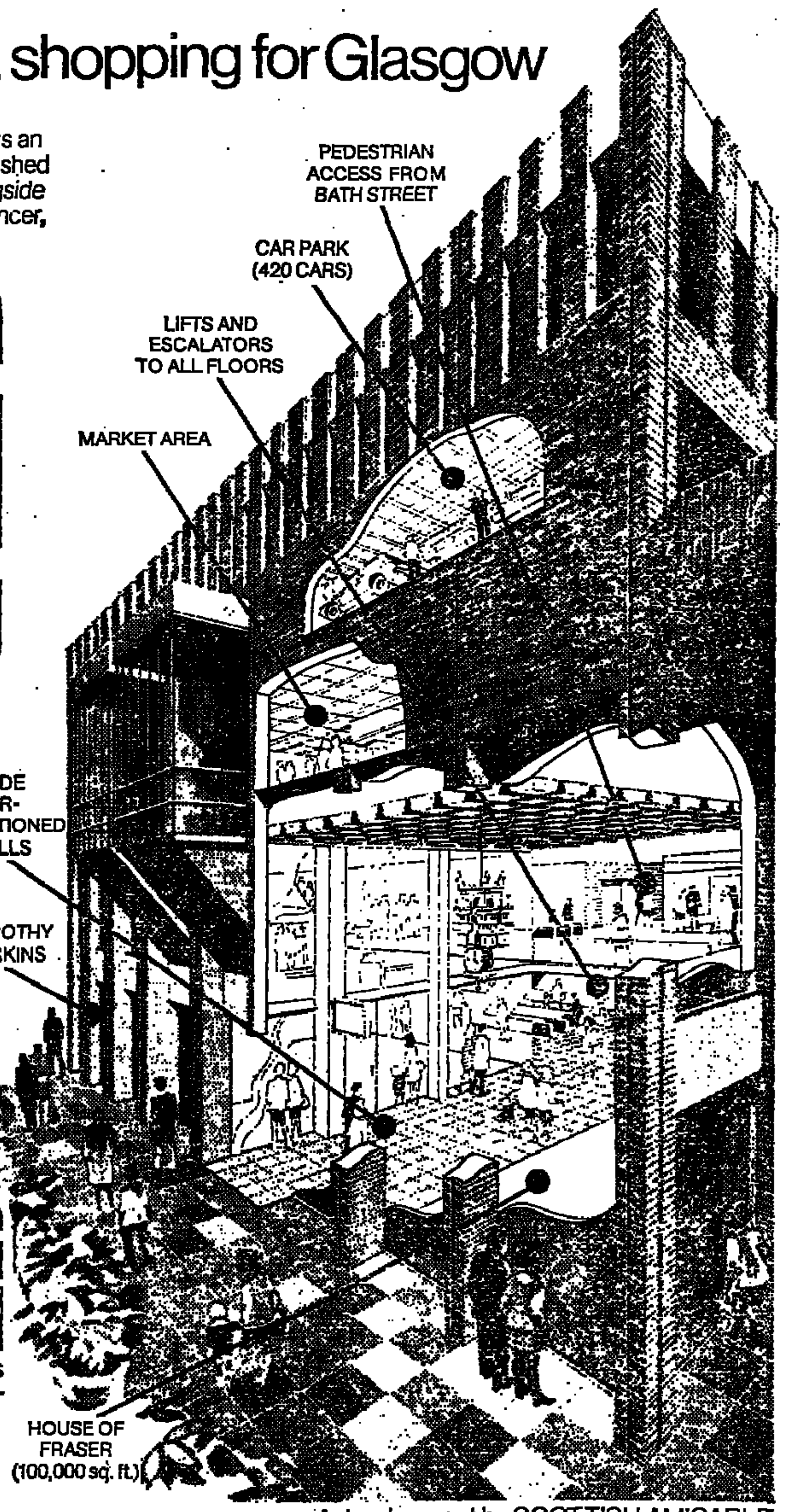


Destined to change the shopping habits of Glasgow, the Centre comprises a major department store, three smaller stores, twelve shop units, banking hall and markets area arranged around spacious, expensively finished malls.

This new exciting concept will, for the first time, provide Glasgow with a truly comfortable shopping environment, created by the use of air conditioning, escalators between the main retail floors and the availability of 420 car parking spaces above the shops.

Space already let to House of Fraser, Dorothy Perkins, Royal Bank of Scotland.

Anticipated completion summer 1977



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Property Market Indicators

No quick revival

A VERY marked revival in the trend of investment yields, lowering the price at which the institutions are prepared to buy leased property, is confirmed by the third RICS-FT Property Market Indicators poll. But the results do not suggest a sudden withdrawal from the investment market as had been predicted following rises in Minimum Lending Rate.

Other indications from the poll include some rises in City of London office rents, previously a weak market but now showing a stronger upward trend than office rents in any other area. The summer's expectation of a slightly rising trend in industrial rents has not been fulfilled, with demand reported sluggish and Scotland being a clear case where hopes of increased industrial investment have not been fulfilled. The rise in the capital value of industrial land in most areas proved temporary.

These trends emerge from the largest poll of the series, with more than 230 responses on the major questions from member firms of the Royal Institution of Chartered Surveyors and from investing institutions. The poll, indicating the intentions of office space users, industrialists and retailers is conducted by the RICS in conjunction with the Financial Times.

Held in the period immediately following the rise in MLR to 15 per cent., the poll shows how investment yields have changed course sharply. This is in contrast to previous experience, the normal course being a very gradual shading of yields.

The change over the previous poll is one where 60 per cent. of respondents now see yields rising, against a position where, ignoring the weak market in secondary shops, approaching three-quarters had seen yields continuing to fall. The reverse in yields embraces every sector though it is marginally less distinct in the market for offices and prime shops.

However, the previous poll had offered some clue to the trend even before the autumn rises in interest rates. Expectations of falling yields were already less pronounced on office investments. And in response to Question 4 on activity in all investment markets, while two-thirds still expected an increase in activity, this was a 10 per cent. drop since the spring poll.

So the polls have indicated a gradual slackening of investment activity from the rather hectic market of early 1976 and,

● A quarterly poll by the Royal Institution of Chartered Surveyors

RICS member firms and investing institutions in all regions were asked if there was a rising (R), static (S) or falling (F) trend in rents, investments yields, capital values and investment activity for different classes of commercial and industrial property.

even post-October, the downward trend of activity appears gradual. Thus nearly half the respondents see no indication of falling activity, only a change in yields. This equates with reports that whereas the investment market dried up swiftly in the crisis three years ago, rising interest rates at present have not had the same effect, vendors being prepared to accept lower prices and institutions continuing to buy on a revised yield basis.

The striking feature of returns on office rentals in the new poll is the hardening of values in the financial centre of the City of London. All respondents felt that the long decline in rental values since early 1974 had now ceased and 41 per cent. thought there was a rising trend in the market.

There was no similar upward movement in West End offices, though the remainder of the Greater London Council area and the South East showed a slightly firmer trend. Elsewhere, office rents are forecast to remain static in most areas and, compared with the last poll there is a clear weakness in East Anglia, the East Midlands, the South West and in Scotland. Some of the decline in regional rent expectations may be attributable to the cut back on central and local government leasings.

There the trend of factory and warehouse rents indicates the slowness of industrial revival. What is noticeable, however, is that forecasts of further falls in rents are most evident among responses on factories, the North being a striking example.

Answers to a special question, on whether the Government's urge to invest in manufacturing industry was being implemented by more industrial space being leased or bought, suggested the same: many industrial companies can expand by more intensive use of existing space which has been under-utilised during recession. It is in new warehousing, tied to more efficient distribution, that most new space is being taken up.

The East Midlands, an area which has been deep in recession, bucked the trend and showed an improved outlook for both factory and warehouse space. Some respondents there reported that demand had improved, as was also the case in the West Midlands, for units around 5,000 square feet and below, and that much of the interest was for manufacturing as well as warehouse space. While there were familiar reports of few of the inquiries on larger units actually leading to completions, there were signs of some recovery in demand even in this range. The increase in demand for small units in the Midlands, one respondent quoting rents of £1.25 exclusive per sq ft, was thought in places to be stimulating some interest from developers in considering again the viability of speculative industrial schemes. While still patchy, the demand in this area for industrial space appears to be livelier than that for retail or office accommodation.

Elsewhere, the South East appears the region where there are greater expectations of hardening rents for both factories and warehouses, though again the GLC is an exception to the trend.

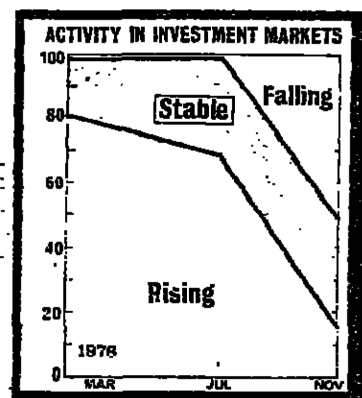
The sharpest reversal of the summer's hopes of increased industrial demand appears in Scotland where the idea of an oil-led boom appears to have been proved false. Static rents are now forecast where the previous polls have shown high percentages expecting a rising market. Neither does the other devolution candidate, Wales, appear to be gaining in industrial confidence.

In answers to the special question, respondents discounted any Government urgings as an influence on demand for new manufacturing space, pointing instead to the rise in interest rates as a disincentive. The falling pound was ironically pointed out as a greater spur, one report from Yorkshire and Humberside instancing the greater demand from exporting caravan manufacturers. And a report from the North West pointed out that nationalised advance factories, by being offered at rents unrealistic in terms of replacement cost, resulted in inquiries being lost to private sector developers.

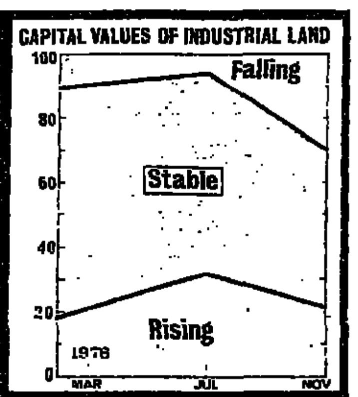
The raising of IDC limits from 10,000 square feet to 15,000 square feet was, however, noticed favourably in the areas concerned, with the South West being one where some increase in demand in the size bracket just below 15,000 square feet was noted. But for bigger units the pull of grants in intermediate and development areas was still noted as strong.

Overall, the picture presented by the poll of industrial property market prospects in most regions did not indicate any general prospects of increased demand.

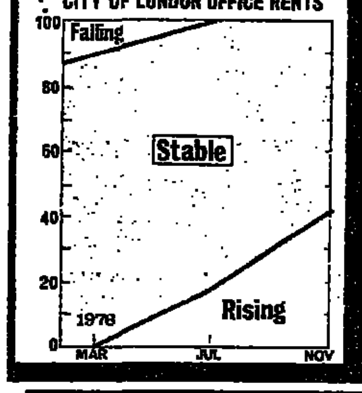
ACTIVITY IN INVESTMENT MARKETS



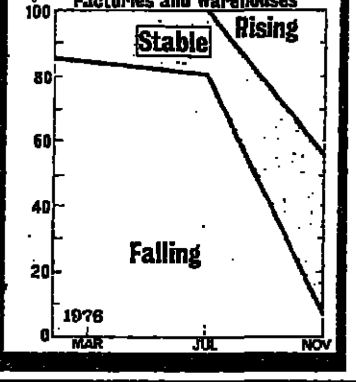
CAPITAL VALUES OF INDUSTRIAL LAND



CITY OF LONDON OFFICE RENTS



Investment Yields on Scottish Factories and Warehouses



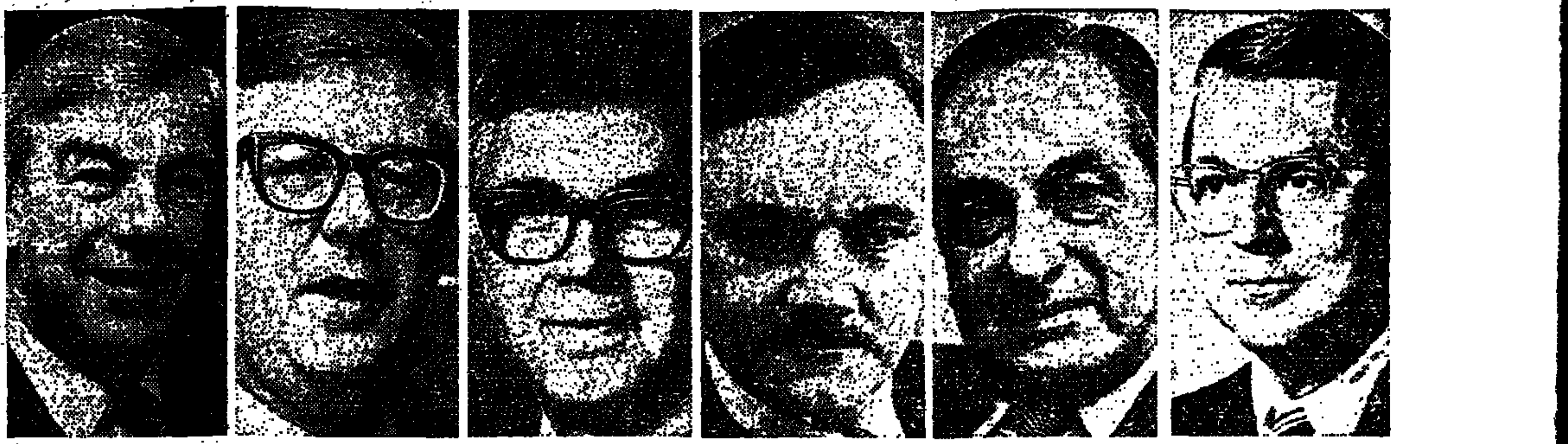
AREAS		LON. CITY	WEST END	REST GLC	SE (EX-LON.)	N	NW	EAST ANGLIA	YORKS & HUMBER	EAST MIDS.	WEST MIDS.	SW	SCOT.	WALES	NATIONAL
Compared with 3-months ago:															
QUESTION 1 What is the trend of rents?		%	%	%	%	%	%	%	%	%	%	%	%	%	%
(a) Offices	R	41	14	—	7	9	5	—	11		—	—	10	—	10
	S	59	77	100	90	91	90	78	84	70	78	78	80	100	81
	F	—	9	—	3	—	5	22	5	30	22	22	10	—	9
(b) Prime Regional Shops	R	16	41	23	40	18	46	33	27	25	15	27	42	27	30
	S	76	59	77	60	82	54	67	73	59	85	73	58	73	68
	F	8	—	—	—	—	—	—	—	16	—	—	—	—	2
(c) Secondary Shops	R	—	—	7	8	9	5	—	5	—	5	16	11	—	6
	S	84	69	63	80	64	78	78	73	93	69	68	78	92	75
	F	16	31	30	12	27	17	22	22	7	26	16	11	8	19
(d) Modern Factories	R	20	—	5	20	8	11	—	10	35	20	11	15	—	13
	S	80	91	84	74	59	78	100	85	51	70	89	80	82	78
	F	—	9	11	6	33	11	—	5	14	10	—	5	18	9
(e) Modern Warehouses	R	16	—	5	24	16	16	—	15	35	15	11	25	—	15.5
	S	76	100	95	73	68	84	100	85	58	85	89	75	100	82
	F	8	—	—	3	16	—	—	—	7	—	—	—	—	2.5
QUESTION 2 What is the trend of investment yields?															
(a) Offices	R	66	65	68	53	50	43	85	40	70	50	67	35	33	55.5
	S	25	15	7	17	30	39	15	54	20	43	17	58	45	28
	F	9	20	25	30	20	18	—	6	10	7	16	7	22	16.5
(b) Prime Regional Shops	R	85	72	69	52	50	46	85	40	88	46	66	33	37	58
	S	15	6	—	16	30	28	15	47	12	47	26	59	38	25
	F	—	22	31	32	20	26	—	13	—	7	8	8	25	17
(c) Secondary Shops	R	86	70	78	52	50	60	85	56	77	73	69	58	37	65
	S	7	30	8	32	20	27	15	32	12	14	16	34	63	24
	F	7	—	14	16	30	13	—	12	11	13	15	8	—	11
(d) Modern Factories	R	83	77	70	55	64	47	87	41	81	50	69	46	33	60
	S	17	23	7	16	—	30	13	48	10	50	24	47	45	25
	F	—	—	23	29	36	23	—	11	9	—	7	7	22	15
(e) Modern Warehouses	R	75	77	70	50	63	47	87	41	75	47	69	42	33	57.5
	S	25	23	7	25	10	30	13	42	9	53	24	51	45	28
	F	—	—	23	25	27	23	—	17	16	—	7	7	22	14.5
QUESTION 3 What is the trend of capital values?															
(a) Offices	R	13	19	18	23	8	5	11	23	7	—	—	5	8	11.5
	S	23	29	32	35	42	54	23	36	32	45	56	62	59	40
	F	64	52	50	42	50	41	66	41	61	55	44	33	33	48.5
(b) Prime Regional Shops	R	7	22	29	33	16	33	22	27	16	5	22	26	18	21
	S	16	22	—	22	34	27	12	40	17	59	28	61	46	38
	F	77	56	71	45	50	40	66	33	67	36	50	13	36	48
(c) Secondary Shops	R	—	—	7	—	—	6	—	5	—	5	5	—	9	3
	S	28	38	15	42	34	32	23	40	39	22	28	53	55	34.5
	F	72	62	78	58	66	62	77	55	61	73	67	47	36	62.5
(d) Modern Factories	R	18	—	16	29	15	17	—	15	14	—	16	11	9	14.5
	S	37	45	40	34	24	42	45	54	36	69	40	66	73	45.5
	F	45	55	44	37	61	41	55	31	50	31	44	23	18	40
(e) Modern Warehouses	R	8	—	17	24	7	15	—	15	18	—	11	16	8	12.5
	S	34	50	42	42	51	38	40	50	39	62	39	68	67	47.5
	F	58	50	41	34	42	47	60	35	43	38	50	16	25	41
(f) Industrial Land	R	9	—	37	17	7	11	—	4	—	5	11	15	7	11
	S	55	50	13	59	65	62	70	68	60	70	62	59	78	59
	F	36	50	50	24	28	27	30	28	40	25	27	26	15	30
QUESTION 4															
Activity in investment markets	R	18	15	18	25	25	15	11	11	7	—	—	21	30	15.5
	S	23	35	26	33	17	27	23	39	32	48	50	48	30	33.5
	F	59	50	56	42	58	58	66	50	61	52	50	31	40	51

The Management Page

EDITED BY JOHN ELLIOTT

Today's argument on the chairmanship of Rugby Portland, highlights a Board's role in choosing the chief executive. **Geoffrey Owen** assesses where such people can be found

Criteria involved in a boardroom succession



A number of chief executives: George Burton, Fisons; Geoffrey Cross, ICL; Donald Frey, Bell & Howell; Allen Sheppard, Watney Mann; Irving Shapiro, Du Pont; Jack Hanley, Monsanto.

WHEN A single individual dominates a company to the extent that Sir Halford Reddish has done at Rugby Portland Cement for the past forty years, there are always likely to be problems over the succession. It happened with Sir Jules Thorn at Thorn and with Sir John Davis at the Rank Organisation. One can argue that if the Board of directors had been doing its job properly it would have insisted on a retirement age of 65—Sir Halford Reddish is 78—and made arrangements years ago for an orderly succession. But when the man at the top is not only chairman, chief executive and a substantial shareholder, but also has an outstanding record of achievement behind him, it is not easy for a Board to perform its proper function.

Sir Halford Reddish

Successor

It may be that the argument at Rugby Portland will be settled to-day. Sir Halford has proposed a successor who is apparently unacceptable to the other directors. But whatever the outcome the affair should alert Boards of directors, once again, to the need to get to grips with the problem of a succession at an early stage, even at the cost of a full-scale confrontation with the existing boss. The Board, after all, is responsible for appointing the chief executive, for ensuring that potential successors are available and for choosing the right moment to make the change.

Ideally there should be at least one, and preferably two or three, managers inside the company who are capable of taking over the top man's job. The choice will depend on which of them has the particular combination of qualities and experience that the company needs at that stage in its development. Companies with a deep commitment to management training—Procter and Gamble, Ford and ICI are examples—almost always promote from within. The trick is to find the insider who is not too much of a "company man," but is objective enough to see the company's deficiencies and is aggressive enough to force through the changes that are needed.

George Burton at Fisons, for instance, became chief executive in 1966 at a time when the company needed to alter its management style, its organisation structure and its approach to growth. The subsequent transformation of Fisons owed a great deal to Burton and the fact that he had spent most of his working life with the company gave him a feel for the business and an authority which an outsider would not have enjoyed. His greatest asset, Burton once said, was "the capacity to stand on one side and look at every activity in an objective manner."

When William Hewitt became president and chief executive of Deere, the U.S. farm equipment maker, he had been in the firm long enough to know its strengths and weaknesses. It was a sound business which needed an enlarged view of *what was possible, especially in* international markets. Hewitt, as a Fortune magazine profile put it last month, "brought the perspectives of an outsider with broad interests and long-range vision to a relatively introverted company."

A more recent U.S. appointment was that of Irving Shapiro to be chief executive of Du Pont. A lawyer with no technical *qualifications or experience,* but a long career in Du Pont, Shapiro represents a sharp break with tradition in what has always been one of the most technically-minded and research-conscious of companies. Outsiders suggest that Du Pont has recognised the need to broaden its outlook to cope with a number of external challenges, ranging from "Naderism" to the general sniping at multinationals, and that Shapiro's experience, which included several years in Washington before he joined Du Pont, is highly relevant to the legal and political issues involved.

There is always a temptation to go for a complete outsider if the company's recent performance has been poor. But the advantage of a new broom has to be set against the upheaval and damage to morale that his arrival may cause. It may be better to make do with existing management resources, as Lord Ryder did at British Leyland, than to subject the company to a long period of un*certainty while the newcomer* finds his feet. The notion that all management problems are basically the same and that the well-trained "professional" can switch readily from industry to industry can be exaggerated.

Professional

Much depends on the nature of the business and its par*ticular difficulties. When Geof*frey Cross was brought from Univac to become managing director of ICL in 1972, the company was suffering from the pains of an ill-digested merger. It needed a professional to sort things out. But it is hard to believe that Cross would have been as successful as he has been if he had not been thoroughly steeped in the computer industry. In a business where product decisions are so crucial, a man at the top who understands and has a feeling for the product is essential.

The same applies to some extent in the motor industry. The weaknesses of Leyland's truck and bus division have been partly related to the product. When Ron Ellis resigned as managing director of the division to take up a Government appointment, his successor should ideally have had some experience of the *truck industry. But the Leyland* Board having found that there was no suitable candidate within the company, presumably decided that this was not an essential requirement. Ellis' successor, Desmond Pitcher, comes from Univac and has no experience of trucks and buses, though he does bring to the job considerable engineering and marketing know-how, as well as his general management ability.

It is perfectly true that qualities of leadership are transferable — the ability to administer large and complicated organisations in a rational way, to set clear targets and to motivate people so that they are all pulling in the same direction, and, not least, the ability to listen. But the conditions for the transfer of these qualities must be right.

It was his general management skills and his track record, not his knowledge of beer, which led Grand Metropolitan to hire Allen Sheppard from Leyland (where he had been in charge of the profitable parts and service division) to run Watney Mann and Truman. In this case it was an advantage that Sheppard was an outsider, with no ties to any of the various companies which had been merged into Grand Met's brewery division, sometimes *after bitter takeover battles. He* was able to ask basic questions about the way the business was run, especially the traditional reliance on functional specialisation, and to move gradually along Grand Met's normal path of decentralisation towards a more orderly management structure. But one of his first priorities in the early months was to learn as much as he could about brewing—as he puts it, "how to make a 'Special' special."

Sheppard is one of a large number of ex-Ford men—in his case ex-Chrysler as well—who now occupy senior positions throughout British industry. Ford is Britain's most successful business school. Anyone who goes through the full rigour of Ford training, absorbs its disciplined approach to management and emerges with a senior job, will soon find himself preyed upon by headhunters.

The same thing happens in the U.S. to some extent. One example is Donald Frey. He spent 17 years with Ford—his big success was the development of the Mustang—but found his way to the top blocked and left because he wanted to run an entire business. Since 1971 he has been head of Bell and Howell, the photographic equipment *company, where he has cut out* loss-making subsidiaries, reshaped the management, and stepped up the drive for new products.

But Ford men, when transplanted, do not always flourish. They may be unable to adjust to the "culture" of the receiving company. It is usually easier to bring a new man in to run a diversified group than to run an integrated company in a field like computers or chemicals. Moreover it is easier for a newcomer to clean up a company which is acknowledged to be in deep trouble than to take over a basically healthy business and steer it in new directions.

Catalyst

A successful transplant in the U.S. was the move made by Jack Hanley from a senior position at Procter and Gamble to become chief executive at Monsanto. This was a case where Monsanto's technological and management strengths were not being used fully because no one was coordinating them. A catalyst was needed to instil a sense of order, to establish goals and to structure the management so that the goals could be achieved. Because Procter and Gamble was Monsanto's biggest customer, Hanley knew some*thing about what he was moving* into, but he still subjected himself to a crash course in petrochemistry in order to understand the business better.

Transfers of this kind are not common in the U.S., where the chief executives of larger companies generally spend their entire working lives with one employer. Of the chief executive officers in Fortune's top 500 companies this year, 35 per cent. had worked for only one company, 27 per cent. for two and 23 per cent. for three. This might suggest that corporate loyalty earns its due reward, but, more important, it shows that successful companies grow their own management talent and hire from outside only in exceptional circumstances.

In one sense hiring a chief executive from outside is an admission of failure: like the move of Alastair Down from British Petroleum to Burmah, it is sometimes forced on a company by financial crisis. On the other hand, there are dangers in a management becoming too inbred and too inward-looking. Bringing in an outsider can be a way of checking an incipient decline and unlocking the potential which the insiders are somehow failing to exploit. But the risks of incompatibility—and the costs of making a mistake—are high.

GERMAN DAIRIES — **BY NICHOLAS LESLIE**

An export co-operative

THREE YEARS ago West German butter was so little known in the U.K. that its percentage of the total market was almost incalculable. Today, however, it has around 10 per cent. of the packet trade and is *probably still carving out* further business despite the fact that the British butter market is, if anything, declining slightly.

Much of the credit for this achievement can be attributed to a Hamburg-based company. Called Deutsches Milch-Kontor GmbH (DMK) it is an unusual organisation. A privately-owned co-operative, it is in some ways akin to U.K. organisations such as the Milk Marketing Board and the FMC (the Fatstock Marketing Corporation) which provides a central selling agency for the meat trade. However, taking the full range of DMK's activities into account—it has a predominantly export role, plus other important representative and purchasing functions for almost the entire German dairy industry *it probably has no* equal outside Germany.

DMK sits at the top of a pyramid and is owned by 12 regional dairy centres which form focal points for, and themselves are owned by, about 700 dairies. More than three-quarters of the dairies are co-operatives owned by dairy farmers, with the balance being private companies. Thus the power base for DMK stems from the thousands of dairy farmers throughout Germany who together produce around 4,000bn. gallons of milk a year.

As shareholders, the dairy farmers often make their views known on what they think should be happening in the dairy products market, according to Mr. Fritz Thiel, president of the executive Board of DMK.

This activity is not confined to the large dairy farmers. In fact, the small operation dominates the German dairy scene; the average herd is less than ten cows compared with around 45 in the U.K. This is probably because there are numerous dairy farmers who have an*other full-time occupation* but keep a few cows.

Although DMK acts in some way for virtually the whole of the German dairy industry, Mr. Thiel insists that it is not in a monopoly position because it has to compete with its shareholders in the marketing of products. DMK concentrates its efforts on all markets outside Germany, and the individual dairies *supply the home mar*kets. It has its own brand names—Delicando for its butter in the U.K.—but has no production facilities.

Thus, everything it sells it has to buy from its shareholders at a guaranteed price and this price must represent better terms than the dairies can *receive elsewhere for their* supplies. For although the majority of German dairies are within the DMK co-operative network, they are free to operate independently.

The German challenge in the U.K. butter market is an example of this. While the Germans provide about 10 per cent. of Britain's packet butter, only half of the amount is supplied by DMK. The balance comes from other German dairies, most being DMK shareholders.

However, DMK, which uses three agents in the U.K.—Lovell and Christmas, DBC (European Marketing) and the Co-operative Wholesale Society—maintains that the efficiency it must generate to justify its existence is enabling it to win some of the U.K. market from its shareholder competitors.

DMK's objective is to maximise the use made of the milk producers' output and also to maximise their profits, rather than its own, by offering them keen prices. As a result its profit margins on sales average about 0.4 per cent. and this, according to Mr. Thiel, means that DMK has to calculate carefully not only direct costs such as transportation, but also the likely movement in foreign currencies between the time when orders are placed with its shareholders and when those products are ready for delivery, a gap of maybe three months.

As a representative body, DMK acts for the majority of the industry in dealings with the German Intervention Board—an EEC organisation with Boards in each Common Market country which buys surplus butter and skim milk powder for retention in cold storage until such time as it decides to release the stocks. Additionally, DMK may speak for the industry in dealings with the Central Marketing Organisation for Agriculture, set up by the German Government some six years ago.

The other main arm of DMK's activity is as a central purchasing organisation. It will buy, for all its shareholders, anything from general supplies such as cleaning compounds, through to protective clothing and even equipment necessary to set up complete dairy plants. As a result of DMK's enormous buying power it can negotiate large-scale contracts at advan*tageous terms with the major* equipment suppliers.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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FRIDAY, DECEMBER 3, 1976

Council of indecision

THE SCEPTICISM about the *usefulness of the meeting of* Heads of Government of the European Community, which took place in The Hague earlier this week, is by no means confined to outside observers. It was President Giscard d'Estaing himself who chose to record his dissatisfaction with the way such meetings are conducted in a letter to his fellow European leaders. Coming from the man who invented the present procedure—and who therefore has some interest in seeing it succeed—this amounts to a strong implicit criticism, even if the details of his complaint are not known. Other, more explicit, criticisms from participants range from the accusation that the Hague meeting achieved nothing to the milder suggestion that achievements should not be expected, but that it was still both badly chaired and inadequately prepared.

Frequency

Quite apart from the fact that the Community over the past two years or so seems to have run out of momentum, and will only regain it if its members wish it to do so, such criticism is both inevitable and yet at the same time misses the point. It arises, and is bound to arise, because it is not at all clear what the meetings are intended to do.

The idea of the European Council at the Heads of Government level was devised because it was thought that what used to be called European summit meetings had become too formal and tended to arouse expectations which were not fulfilled. It was therefore decided that the meetings should take place both less formally and more frequently. Yet, at the same time, a number of other ideas which had been in the air for the reform of Community decision-making were dropped. One, much canvassed by the late President Pompidou, was that there should be a small, but permanent political secretariat which would be responsible for preparing the meetings. Another was that if the meetings *were to be really informal* and to allow the Heads of Government properly to know each other, they should take place not two or three times a year, but at least once a month. A third was that the Presidency of the Council should be extended from the present period of six months to a year in order to enable the holder better to organise and to prepare Council business.

Taken in isolation, all of these ideas have something *against them. Extending the* period of the Presidency, for example, would mean that member countries would only *hold it about once a decade and* even less if the Community is further enlarged. Again the secretariat idea runs up against the objection—at least from the European Commission—that it might mean bypassing established institutions.

Such objections deserve to be considered, but they have to be weighed against the fact that the present Council meetings are neither informal nor decisive. They are still sufficient of an event to arouse expectations that something will be achieved and disappointment when it is not. They are still *infrequent enough to prevent* a running dialogue. Add to this the absence of any machinery specifically designed to ensure continuity, and one has summarised the dilemma.

Machinery

It appears that the British, who assume the Presidency next month, believe that the problem can be at least partially resolved by better chairmanship—on the grounds presumably that the British Cabinet is so much better run than its European counterparts. There may even be something in the argu*ment, but it remains that the* continued failure of the Council either to meet harmoniously or to produce agreements discredits the Community as a whole, and the idea of some continuing machinery or political secretariat is the best yet put forward.

The unnecessary cost of housing

OF ALL the public expenditure *nettles that the Government* needs to grasp housing is at once the most urgent and the most difficult. It is the area in which the contrast between mythology and reality is at its most stark. Since 1971 the housing budget has increased at a far more rapid pace than public expenditure as a whole, in the belief that this was socially necessary because of a national housing shortage. Yet it has been during this period that the country has moved from a state *of crude housing shortfall to* one of crude surplus.

The figures deserve close examination. In the years 1951 to 1961 public spending rose at an average annual rate of 5.9 per cent.; the equivalent figure for housing was 3.2 per cent. In the following decade, to 1971, the total Government spending rose by an average of 9 per cent. a year, with housing just about catching up at 8.4 per cent. It could be argued that in those years the share allocated to housing was insufficient, particularly in view of the post-war shortages. Yet events since then indicate that there has been overkill, and with a vengeance.

Rocket

For in the period 1971-73 the average annual increase in the housing budget was no less than 38.9 per cent., at a time when the total expenditure of the Government rose by less than half as much—15.3 per cent. a year. In 1973-75 the housing rocket continued its course, albeit at a slightly more oblique angle, with an average yearly increase of 33.9 per cent. against an overall 29.8 per cent.

The result is that we now have a £4bn.-plus housing budget at a time when it *is not* at all clear that it is necessary on any grounds, including grounds of genuine need, to spend anything like as much. On most counts most of the British people are now as well housed as their West European counterparts, and better than a good many *of them. The blights of the past* —an absence of indoor baths or toilets, or overcrowded rooms — still exist, but only at a rapidly dwindling margin.

Any Government would have to take care of this margin, but that means a housing policy based on detailed surveys of local needs, building or, better, renovating where there is a *genuine shortage for regional* reasons or because a type of household (single, perhaps) cannot find a dwelling at a price that can be afforded. It does not mean a grand national programme of the old kind, with its escalating costs — *which is what* we now have.

Surplus

The *growing surplus is* already being felt by some local authorities, such as Liverpool and certain London boroughs, *which are finding that the less* desirable council flats are becoming very difficult to let. A continuation of the present rate of capital expenditure will only add to this surplus; there is in fact a strong case for winding down the whole of the council-house building programme (and even that would not immediately stop costs from *rising, as old debts are re*financed at higher rates of interest).

If the building industry is not to be totally wrecked such a curtailment would have to be phased. Phasing is also the only available palliative for the other unpleasant course the Government must follow: an increase in council house rents. At the *beginning of the decade these* were meeting about two-thirds of costs; to-day they are heading down towards about one-third. February's public expenditure White Paper talked about increasing this to something over 50 per cent. by 1979-80. This target should be brought closer, and the aim should be to restore the share of rents to their old *level of support for total costs.*

Mr. Tanaka, the former Premier, whose arrest started the rot.

Mr. Ohira, the Finance Minister, who leads an anti-Miki faction.

Mr. Fukuda, the Prime Minister's chief opponent in the Liberal Democratic Party.

Mr. Miki, the Prime Minister, has won a reputation for cunning.

THE JAPANESE ELECTIONS

Conservative domination of Japanese politics may be ending.

Watershed ahead for the Japanese

By CHARLES SMITH, Far East Editor, in Tokyo

JAPAN HAS been ruled for so long by a conservative Government—to be precise, since the Liberal Democratic Party was formed in 1955—that most people have difficulty in imagining what other kind of Government the country could have. Imaginations may have to be stretched a little after Sunday's general election, because *it looks as if the Liberal Demo*crats, for the first time in their history, could end up with fewer seats than are needed to control the lower house of the Diet, the Japanese Parliament. The Upper House of the Diet is not up for re-election this time.

At the moment they have 265 of the 491 seats in the House of Representatives. They will *need 256 to retain a bare* majority, since the House is being enlarged to a total of 511 seats. For full control, which means an LDP chairman and a majority of members on each of the major Diet committees, the party reckons that it will have to win 271 seats, five more than its present strength. Since voters appear to be drift*ing away from their traditional* conservative affiliation and since there are problems within the party itself, serious doubts are being voiced whether 271 can be attained.

There are at least three reasons why things have gone wrong. The first is that contrary to what some of the optimists were predicting a few *weeks ago, the Lockheed affair* has seriously damaged the LDP. The impression is apparently still strong among voters that the party has not cleaned itself up after last summer's revelations of bribery in high places. That impression is probably correct.

There are LDP politicians who have been publicly named as recipients of Lockheed payoffs without actually having been arrested on bribery charges who are running in the election as official candidates of the party. The three senior LDP members who were arrested on bribery charges, and whose cases will probably be tried early next year, are running as "independents." One of them, the former party secretary-general, Mr. Tomisaburo Hashimoto, has been allowed to include on his posters *the words: "Supported by the* Liberal Democratic Party."

The Lockheed suspects, including an ex-Prime Minister, Mr. Kakuei Tanaka, will probably be elected since most of them are standing in parts of *the country where personal* loyalties still tell heavily, and where the furore about bribery of high Government officials may seem rather remote. These "grey politicians" however are not doing much to help their colleagues in marginal constituencies where issues count more and personal loyalties for rather less.

Lockheed stigma

The fact that the Lockheed stigma is still there can be *related to another basic weak*ness: the LDP is split from top to bottom on the issue of its own leadership. The Prime Minister, Mr. Takeo Miki, who has earned himself the reputation of being the most cunning *man to lead the party since its* foundation, was able to outmanoeuvre the two-thirds of the LDP parliamentary leadership who want him to resign during a series of backroom negotiations immediately before the election campaign.

In order to stay in power Mr. Miki obviously had to make some concessions to his opponents. One of them seems to have been involved a partial amnesty for Lockheed suspects (nearly all of whom belong to *factions making up the anti-Miki* wing of the party), and a discreet silence on how much further the Government plans to *push its investigation of the* affair. The Lockheed inquiry made rapid progress up to last July and August (the period in which Mr. Tanaka and two other suspects were arrested). It appears to have been marking *time since then, even though the* public has yet to be told what happened to about two-thirds of the money which the U.S. aircraft manufacturer is known to have paid to its Japanese agents.

Campaign funds

The effects of the split in the LDP have shown up in other ways as well. Mr. Miki and his *chief opponent within the party,* Mr. Takeo Fukuda, seem to have spent almost as much time criticising each other in their campaign speeches as in asking the voters to support the LDP. There have been constituencies in which factional rivalry between pro- and anti-Miki groups has resulted in extra candidates being put up by the party, thereby threatening a split in the conservative vote. There have been accusations that after the first official allocation of Yen5m. (about £102,000) of campaign funds to each LDP candidate, subsequent additional allocations of party funds have been somewhat more generous to the Miki *faction than to candidates* following rival leaders, such as Mr. Fukuda or the Minister of Finance, Mr. Masayoshi Ohira.

The split in the party and the relative unpopularity of Mr. Miki with big business, *may* also explain why contributions from the business world to the LDP campaign have been small. The Yen1-5bn. which LDP is *believed to have succeeded in* raising from business contributors is about a quarter of what it was given at the last general election in 1972. In turning away party requests for more money, businessmen have been able to point to new legislation limiting the amounts of political contributions by individual companies which was *introduced by Mr. Miki during* the first year of his premiership.

The LDP weakness, *which* reflects a gradual and long term decline in the conservative vote as well as the party's recent *internal* upheavals, does not necessarily mean that the opposition parties are getting near the point where they can form a Government. One feature of the campaign has been a huge increase of the number of voters *who say they do not support any* party: the ratio was put at 30 per cent. by one of the newspaper polls conducted earlier this week, although the same newspaper stressed that the great majority of "don't knows" *probably will vote.*

A further element in the picture is the emergence of a conservative protest vote linked to the New Liberal Club, a tiny splinter group at the moment boasting five Diet members who withdrew from the *LDP* last summer on the grounds that the ruling party had degenerated into a "power machine." The Club is putting up 25 candidates on Sunday, most of whom are young and rather unimpressive. *Even so, it may draw off enough* support from official LDP candidates (perhaps 20 per cent. in some constituencies) to do serious harm to the Government.

The performance of the opposition looks like being rather mixed. Most people agree that the Buddhist-oriented "clean Government" Party, Komeito, will pick up quite a *lot of seats, increasing its diet* strength from the present total of 30 perhaps into the high forties. The Japan Communist Party which now has 39 seats is expected to stand still at that level or perhaps lose ground *slightly.* The two socialist parties, the Japan Socialists with 112 seats, and the Democratic Socialist Party, with 19, *are expecting fair but not* spectacular gains. The real question for the opposition, however, is not how many seats individual parties are going to pick up at the election, but what is going to happen after the election, particularly if the LDP finds itself in a situation where it can no longer control the diet single-handed.

Opposition options

Basically the four opposition parties will have three options, though not all involve all four parties. If the LDP does turn out to have lost control. The first will be for the three non-Communist parties to form themselves into a coalition which might offer itself as a *serious alternative to one-party* rule by the Conservatives. The second choice would be a coalition between the Japan Communist Party and the Japan Socialists. The JSP is the only one of the three non-Communist parties which has shown any willingness to work with the JCP. The third alternative would be for some elements of the opposition to "peel off" and work more or less openly—at a price—with the LDP.

The third alternative, not surprisingly, is the one the opposition parties have least wanted to talk about during the campaign. It could, nevertheless, turn out to be the most practicable alternative once the election is over, if only because the two alternative opposition coalitions (with or without the Communists) may be too weak to command a majority, even if the LDP does badly. The parties which would be most *likely to work with the LDP in* some form are the Democratic Socialist Party, a strongly anti-Communist party which likes to think of *itself as being similar to the British Labour Party,* and the Komeito a party with strong support among women voters and a tendency to adopt a moralistic approach to political issues.

The Komeito and the DSP have worked together closely during the campaign, mainly by means of "no combat" agreements in various constituencies which have involved *one* party refraining from putting up a candidate and instructing its supporters to vote for the candidate of the other. The DSP has already shown itself willing to work with the Government under certain *circum*stances. For example, during the opposition boycott of Diet proceedings at the height of the Lockheed affair last spring, when it helped the LDP to get things back to normal.

It is still possible that the Government may survive the elections with enough seats to continue running things single handed. A certain number of conservative "independents" are invariably elected in Japan *—this time there may be 10-12* who could be enough to push conservative strength in the lower house above the crucial 271 figure. If this happens, Japan's political watershed will still lie ahead. The LDP has *to face another crucial election* next summer, to the Upper House of the Diet where it commands a working majority of about six (including independents). It may easily lose then, even if it scrapes through on Sunday.

MEN AND MATTERS

Disclosing the building society salaries

It would be a mistake to believe building society leaders spend all their time worrying about interest rates or how to squeeze another new branch into a particular High Street. Quite a *different question has raised a* rumpus lately: it has come over new regulations which will force societies to disclose how much *they pay their top executives* and directors.

The intention of the Registrar of Friendly Societies is to bring *the country's near-400 building* societies into line with the disclosure requirements of public companies. But this has not *gone down well with all* societies. In particular, there seems to have been annoyance among some small groups based on individual towns; some society people presumably feel it would be embarrassing to have their earnings broadcast around the locality.

As with companies, the societies will have to reveal how many staff are paid over £10,000, the information being given in the form of the number of people falling into earning bands *going upwards in steps* of £2,500.

At the moment, the only pay disclosure required from build*ing societies relates to the total* amount received in directors' fees. In future, where the total emoluments exceed £15,000, the number of directors in each £2,500 band, starting from zero, will have to be given. The chair*man's salary will have to be* given separately.

Building societies tend to have a preponderance of non-executives on their Boards. Last year, the 15 directors of Britain's biggest society, the Halifax, were shown *as sharing just* over £59,000. Earlier this year, there was a fuss over directors' money at the Halifax when the society considered paying £10,000 to Ian MacLean, a retiring non-executive director who had been chairman between 1961 and 1974. The idea was eventually dropped.

The new revelations will be made in two stages. Details of this year's salaries will appear in the *1977* returns to the Registrar of Friendly Societies. Those inquisitive to join in this latest round of who-earns-what can apply to study those returns. Members in general will get the figures through their letter-boxes with society annual reports in 1978.

So, at the end of the day, what will the top earnings turn out to be? Most building society chiefs consider themselves underpaid in relation to other financial institutions (£16,000 was the figure given for the general manager of one of the half-dozen largest societies a couple of years ago) but there is reluctance to provide details ahead of the statutory requirement to disclose. Running a society is much more than fixing rates, declared Arthur Trollope, managing director of the City of London society, yesterday. The month-to-month uncertainties these days made the whole business "extremely *difficult," he declared.*

"I'll believe it's a good deal when Fiat can get as many miles to the gallon as we can!"

Rix joins the handshakers

"All we have is a handshake. A handshake and £300,000 in the business between us. It's a lovely way to work." Laurie *Marsh, chairman of the public* Intereuropean Property Holdings, which includes Classic cinemas, was talking last night about the West End theatre chain which he runs with Ray Cooney—and which yesterday recruited that *veteran actor*-manager Brian Rix, 52, to take control of administration.

Marsh's first move into London's drama scene came long before his public company involvements when, 15 years ago, *he acquired the Windmill* theatre. His other theatre interests started when he and Larry Parnes bought leasehold interests in the Regent (owned by the Regent Street Polytechnic) and Kilburn's Broadway Theatre. The Broadway is a former cinema, the freehold being the property of IPH. Cooney bought out Parnes's share, and he and Marsh now also have *the* leases on the Ambassadors and the Duke of York's, the latter owned by impresario Peter Saunders, famed as the man who put on Agatha Christie's The Mousetrap 24 years ago. The latest venture by Marsh and Cooney is the takeover of Rank's Astoria, opposite Centre Point, which is being turned from a *cinema into a theatre,* to expand their chain to five.

Twenty years ago, ironically enough, Cooney was a member of Rix's company. Rix's famous farces ran for 15½ years at the Whitehall Theatre, where he is now back *starring in Fringe* Benefits. He said he was looking forward to a more normal though probably busier life. Marsh said Rix would probably take a minority stake in a year or so when the Marsh-Cooney handshake partnership will have assumed some sort of corporate status.

Behind Fiat

The noise on the Milan bourse yesterday was described as "something awful" as dealers fell over themselves *to* trade *in* shares of Fiat after the Libyan deal to take a 9.6 per cent. stake. But even after the *scrambling,* the closing price was still only 2,020 lire per share against the 6,000 paid by the Libyans.

Price Waterhouse were the accountants who came up with the asset value accepted by *Libya, but the men who actually* did the negotiating were finance director Cesare Romiti, who came to Fiat from Alitalia *three years ago, and Gianluigi* Gabetti, one of the Agnelli family's most trusted financial advisers and managing director of the family holding company IFI. The other kingpin on the Italian side was the brilliant but highly secretive head of Mediobanca, Enrico Cuccia, the man behind many of Italy's major industrial marriages—including the *original* Montecatini Edison merger in the 1960s. Most of the negotiations took place inside the bank's discreet Milan head office. Giovanni Agnelli himself kept pretty much in the background, though he *carefully followed* every move in the 18-month-long negotiations.

Agnelli swears he did not see the Libyan leader Colonel Khedaffi during all the talking. A meeting some time between *two such* divergent and intriguing figures would surely be an event.

Observer

POLITICS TO-DAY BY DAVID WATT

The Tories' prickly bed of thistles

[I]S getting damnably hard to [say] anything new on the sub[ject] of devolution—a difficulty [whi]ch promises to turn the [Hou]se of Commons for the next [...] months into a kind of echo [cha]mber, reverberating with [...]ent pronouncements. All the [mai]n arguments, both for and [agai]nst the creation of sub[ordin]ary assemblies, were [...]ed in relation to Ireland in [...]. They were given another [airi]ng for the Second Home [Rul]e Bill in 1893. They were [exh]austively canvassed all over [agai]n in the long constitutional [cris]is from 1910 to 1914—at [whi]ch point the idea of assem[blie]s in Edinburgh and Cardiff [mad]e an important appearance. [Sco]ttish devolution in the most [mod]ern context has been on the [men]u for nearly ten years, and [not] only the speeches, but the [spe]akers, too, are stale.

[I]n this situation the predict[abl]e reaction of the political [par]ties is to take their decisions [pur]ely on grounds of self-[inte]rest and to rationalise them [wit]h whatever arguments hap[pen] to be lying around. It is a [...] accusation against the Gov[ern]ment that most ministers are [mo]re concerned with the dan[ger]s to Labour's electoral posi[tio]n if they fail to pass the Bill, [tha]n with its positive advan[tag]es in promoting the better [gov]ernment of the country. It is [equ]ally true that the Conserva[tiv]es are far more interested in [emba]rrying the Government in the [sho]rt term and weakening Lab[our]'s electoral base in the long [ter]m than they are with the [un]ity of the United Kingdom.

[T]his formulation sounds exces[siv]ely cynical and in the many [cas]es where political leadership [is] essential it would be. In the [cas]e of devolution I am not so [sur]e at this stage. When the subject is of this great constitutional importance and the pros and cons are so well known to the electorate, then a party may be allowed to follow its own self-interest on the assumption that it will thereby be reflecting the wishes of the public, and that if it does not it will suffer a fearful retribution at the polls.

Naturally this still leaves open the question of who has made the best calculation of their own self-interest, and in the present case it seems pretty clear to me that Labour is making the shrewder strategic assessment.

Consistent

For a start, there is not really the slightest doubt about which side more nearly represents the present wishes of the Scottish voters. It is irrelevant to go back to the situation of five or six years ago, for the situation to-day is that a worthwhile degree of devolution has been dangled before the Scottish public—and for that matter the Welsh—and a withdrawal of the promise could not fail to add fuel to the flames of nationalism. Amid all the ups and downs of the opinion polls one finding has been remarkably consistent—namely that those who are in favour of the constitutional status quo do not amount to more than 20 per cent. of the Scottish people.

Labour certainly runs a risk in trying to appease this feeling. The Assemblies in Edinburgh and Cardiff may stand at the top of a slippery slope, as Arthur Balfour argued in 1910. "Is it not," he asked, "in the nature of things that in such cases incomplete concessions (and provincial powers are necessarily incomplete) only increase the appetites they are intended to satisfy, while they provide new intruments for extorting more?"

Discomfort for pro-devolutionists: Mr. Edward Heath (left) and Mr. Alick Buchanan-Smith.

If so, then presumably Labour would suffer serious consequences at any rate in Scotland—sweeping losses to the Scottish National Party at some future general election and, in case of complete separation of the kingdoms, a more or less permanent minority in the English Parliament.

On the other hand, if the assembly actually "works" in Scotland—that is, gives a credible sense of autonomy and dignity to Scotland and enables the Scots themselves to improve the quality of some of their administration, then there is no reason why Labour should not have achieved its objective of stemming the Nationalist tide. The only long-term price to be paid on this assumption is that it would be hard to resist the Kilbrandon Report's conclusion that Scotland would be over-represented at Westminster and that at least 13 seats should be suppressed. Presumably, given the preponderance of Labour to Conservative in Scotland, Labour would suffer marginally more than their opponents in this process, but by very little.

The Conservative Party in Scotland naturally argues much the same way. A glide down the slippery slope would have the same serious results for the Conservatives as for Labour—for while there might be a Conservative Party of some kind in an independent Scotland, they might well not be the same Conservatives. If the Assembly were successful, the present Conservative Party might find itself in a minority in the Assembly for a while, but with good prospects for revival.

So why have the English Conservatives decided to take such a negative view? It would be perfectly reasonable for them to attempt to reduce the "slippery slope" dangers inherent in the Scotland and Wales Bill as it stands. They would fight to ensure that the Scottish assembly has some revenue-raising powers of its own in order to prevent the whole weight of nationalist sentiment falling upon the question of the size of the block grant allocated to Scotland by Westminster. They would also try to reduce the friction inherent in the proposed powers of the Secretary of State for Scotland to oppose Scottish Assembly acts and would press for a stronger judicial role in settling disputes between the centre and the periphery of the new constitution. By deciding to oppose the Bill root and branch and to vote against its principle they will inevitably persuade Scottish public opinion that they do not like devolution in any form, and they have therefore added another gratuitous electoral risk to the ones which they already face.

The reasons commonly advanced for this decision do not really sound very convincing. The practical defects of the Bill could be forcibly eradicated during the Bill's course through Parliament. At a pinch, the whole of Welsh devolution—for which public demand in Wales is even now very weak—could be put off. English public opinion in general does not seem particularly concerned either way and could easily be brought along with a bipartisan policy in Parliament if that were agreed.

In other words one is left with a basically tactical explanation for what has happened. The feeling on the Conservative back benches has been very much the same as the feeling on the Labour benches about the Common Market issue between 1970 and 1974. Most Conservative MPs incline to be faintly suspicious of devolution in any case as a piece of constitutional jiggery pokery. In Government they would grudgingly go along with their leaders' judgment that it was necessary, and on this basis they accepted Mr. Heath's commitment to an assembly—rather as Labour accepted Mr. Wilson's to Europe. In Opposition, however, their instincts on the merits coincided with the more primitive instinct of giving the Government as much difficulty as possible, and this overwhelmed their reason. They would undoubtedly have liked Mrs. Thatcher to have renounced the assembly commitments just as Mr. Wilson mark two renounced the commitments of Mr. Wilson mark one.

Compromise

Mrs. Thatcher and Mr. Whitelaw realised in May this year that such a renunciation would completely destroy the Scottish Conservative Party and they therefore cobbled together a compromise on the basis of a very weak assembly. This enabled Mrs. Thatcher to stand by the Party commitment but also to "oppose" the Labour proposals. The Scottish Tory leadership clearly did not understand the basis of this "bargain"—and perhaps they were not intended to. They thought that "Opposition" would be confined to the details of the Bill and not to the principle of devolution. Mr. Whitelaw probably did not understand it either, for at that time he was telling his pro-devolutionist friends that he was sympathetic and had hopes for the free vote or at the worst for a reasoned amendment on the Second Reading. He has evidently been induced by pressure to change his mind.

The effect of all this is, of course, not at all clear—even in the short term. A quite high price may well have to be paid. The disarray of the Scottish Conservative party is pitiful whether or not Mr. Buchanan Smith, the pro-devolutionist shadow spokesman on Scotland, resigns. Mr. Heath, whose pro-devolutionist commitment has now been undermined, if not actually attacked, by his Leader, is in no mood to take things lightly and may well decide to abstain or even vote against his own party on this issue. Some of his opponents (and Mrs. Thatcher's minions) may well be glad of this since, in the present climate of the party, he will not, to put it mildly, add to his popularity.

And what about the gains? It seems likely even now that the Government will get its Second Reading — and indeed if it failed the responsibility would be rapidly pinned on Mrs. Thatcher "irresponsibly wrecking a measure for whose aims there had been a lot of bipartisan support in the past and by which the people of Scotland set much store."

It is interesting to speculate who would lose more out of the slanging match that ensued — but it might very well not be Mr. Callaghan. Yet, if the aim is not to defeat the Bill it is hard to see what the object of mounting a major operation against it could be. A genuine effort to meet well-known theoretical and practical objections to details — and so causing a good deal of difficulty for the Government — would be readily understood, and even appreciated. The attempt to make political capital by a wholesale onslaught seems likely to risk more than it achieves.

Letters to the Editor

Fiddling with shipbuilding

[Fr]om The General Secretary, [Sh]ipbuilding and Allied [In]dustries Management [A]ssociation.

Sir,—John Wyles' article on [sh]ipbuilding in Scotland (Novem[be]r 29) very well depicts the [p]roblems imminently facing [S]cottish merchant shipbuilding [y]ards, though, as he points out, [th]ose problems are not unique to [S]cotland. He is no doubt right [in] believing that special pleading [is] likely soon to be heard for [pr]eservation of Scottish yards [th]reatened by lack of orders. At [th]is juncture, however, as the [or]ganisation representing man[ag]ers employed in English as [we]ll as in Scottish yards, we see [the] need to make a plea on behalf [of] the whole of the U.K. ship[bu]ilding industry.

We are greatly perturbed by [th]e apparent acceptance both by [th]e present Government and by [th]e official Opposition that a run[do]wn of overall U.K. shipbuild[in]g capacity is inevitable.

Accepting that there are im[me]diate difficulties arising from [th]e current world-wide recession [in] demand for new shipping, we [wo]uld maintain, taking the [lo]nger view, that reduction of [th]is country's shipbuilding [ca]pacity cannot be justified in a [sit]uation where present capacity [ca]n fulfil no more than 35 per [ce]nt. of the needs of British ship[ow]ners. Other EEC countries [ta]ken together have a capacity [we]ll in excess of their own ship[pi]ng needs and Japan's ship[bu]ilding capacity approaches six [ti]mes Japan's own merchant [sh]ipping requirement. Most of [th]ese countries subsidise their [sh]ipbuilding industries in one [wa]y or another because they see [th]em as vital to their own [ec]onomies and because, even [th]ough ships may be built at a [lo]ss or on a bare margin of [pr]ofit, the industry provides work [an]d profits for many service in[du]stries. British yards have had [to] compete on unequal terms [wi]thout the same measure of [as]sistance.

[D]ependent

It cannot be in the interests [of] Britain as an island nation, [de]pendent on shipping for the [ca]rriage of its imports and ex[po]rts, that its native shipbuild[in]g industry should be run down [to] an extent where we would [ha]ve to rely on other nations for [pr]ovision of an even larger share [of] our home fleet and transporta[tio]n requirements. It cannot be [as]sumed that such nations will [al]ways be friendly.

It is deplorable that the actions [wh]ich urgently need to be taken [to] ensure the continuance of a [vi]able U.K. shipbuilding industry [an]d to assist individual yards [to] surmount immediate difficul[tie]s are being delayed while [po]liticians argue the merits of [na]tionalisation. A national plan [fo]r the industry is needed now [be]fore it becomes too late. It [m]ust not wait on resolution of [th]e nationalisation issue by [Pa]rliament. The industry cannot [af]ford further delay or un[ce]rtainty.

Though in the present situ[at]ion the initiative for formu[la]tion of a national policy for [th]e industry must probably rest [w]ith the Government of the day [in] conjunction with shipbuilders, [sh]ipowners and representatives of [th]e industry's employees, political [id]eology should be set aside in [fa]vour of immediate and prac[ti]cal measures to safeguard the [in]dustry's future. There can be [li]ttle doubt that, with the vexed [po]litical question of public [ow]nership separated from consideration of remedies for the industry's problems, all those who have the industry's welfare truly at heart would co-operate wholeheartedly in seeking and implementing practical solutions.

We plead for an end to divisiveness and "fiddling while Rome burns"; we call for concerted action to preserve a vital British industry.

C. M. Hayward-Jones.
18, Chalk Hill, Oxhey,
Watford, Herts.

Post Office monopoly

From Mr. C. Couzens

Sir,—The Post Office monopoly certainly has its disadvantages, but I would question the criticism which the members of the telephone managers' division of the Institute of Administrative Management seem to consider to be the most serious (November 29). To attack the P.O. on the limitations of the range of telephone instruments available is merely "scratching the surface" of an operational problem which manifests itself in many forms at area level with the most serious results.

Mr. F. G. Phillips is obviously one P.O. employee who has a deep understanding of the technical and commercial problems caused by the monopoly situation and I would agree with his interpretation (as reported) of those problems and their implications for the industrial user.

The larger telephone contractors cannot be expected to support any view other than the break-up of the monopoly when one considers the lucrative maintenance contracts which could then become available. Anyone who has had a PAX installed and maintained by a private contractor will appreciate the high rental, maintenance and labour charges applied, and the very restrictive long-term contracts offered.

The major inefficiency of the Post Office Corporation which affects the majority of industry is an absence of the basic technical knowledge at area level required to design a communications system which is operationally and commercially acceptable for the user. The lack of this expertise has had the most serious results, on a national level, in the introduction of more efficient methods of communication, and the spread of more technically advanced types of switching systems.

It is my view that the monopoly has created among the staff the lethargic attitude which breeds, in a non-competitive atmosphere. This is most apparent in their consultative attitude to selling their equipment which their headquarters consultative operation denies is their objective. The Post Office is a "supplier" of equipment and cannot therefore ethically provide an unbiased report, or traffic design of communications systems.

The sooner it admits to this the sooner industry as a whole will benefit from a healthy and professional Post Office marketing atmosphere.

C. I. Couzens (M.Inst.AM)
Senior Partner,
Communications Design Partnership,
152, Buxton Road,
Stockport.

Adjusting the accounts

From Mr. P. Griffiths

Sir,—After glancing through Exposure Draft 18 and reading the various comments in the Financial Times of December 1, I am inclined to ask whether all those concerned have given proper consideration to the likely effects of implementing these proposals. Inflation adjusted accounts should certainly not be encouraged in the public sector. They would be used to justify the maintenance of real expenditure which of course means increased monetary expenditure thus worsening the inflationary situation.

One of the main reasons for accounts which are adjusted for changes in the price level is that the taxation basis will thereby be reduced. In fact for the majority of companies it is not taxation on profits but VAT which is the most serious problem. There is a complete absence of any suggestion that VAT will be reduced by accounts which are adjusted for changes in the price level.

Exposure Draft 18 does not really improve on the Sandilands report. In fact its recommendations for resurrecting an appropriation account to provide the double-entry dustbin for all the adjustments as well as for showing the current cost profit or loss for the year and dividends, obscures what the final balance is supposed to represent. Is the balance on the appropriation account a capital reserve or a revenue reserve? If it is a capital reserve then the various adjustments could more suitably be deducted from the adjusted assets thus leaving them unadjusted.

With Exposure Draft 18 we appear to have moved from Sandilands to muddy waters or even worse.

P. L. Griffiths.
41, Gloucester Place, W.1.

Shrinkage or theft

From The Managing Director, Lodge Service International.

Sir,—Ellnor Goodman's article of November 27 was helpful, in that, it once again brought to the public's attention the growing problem that confronts every retailer, that of inventory stock loss, and this growing awareness makes it easier for the retailer to deal openly with the problem.

There is, however, an important point about the subject upon which she is incorrect and which I would like to clarify. She states that "shoplifting and staff pilferage, once euphemistically known in the trade as 'shrinkage' but now bluntly described as 'theft,' costs retailers an estimated 2 per cent. of their turnover." Shoplifting and staff pilferage are, indeed, theft, and should be seen as such; however, the 2 per cent. quoted is, in fact, "shrinkage," which is not a euphemism of the past but is still very much in use to describe inventory stock loss. This is the difference between the financial value of goods put into the retail establishment at selling price and the moneys plus stock left over at the end of the accounting period.

This 2 per cent. is caused not only by dishonesty but also by mistakes. These mistakes, such as unrecorded mark-downs, transfers, discounts, general wastage, incorrect weights and measures, price markings, unrecorded refunds, etc., etc. hide a great deal, especially in these inflationary times. With prices being marked up regularly, in many cases the true amount of loss suffered in a retail concern is hidden because goods already in stock are marked up to the new higher price and unless an appropriate adjustment is made, in the stores records, this will throw up a surplus, thereby concealing the true loss position.

For example, you can have a situation where there are 80 tins of coffee in stock at 40p each, a new delivery takes place and there is a price rise to 45p. Therefore, the manager, rather than having goods at two prices on his shelves, marks up his 80 tins in stock by the extra 5p, thereby giving him a surplus of 10 tins of coffee at stocktaking time. It is easy, then, to see how the true scale of theft can be hidden, either by mistake or on purpose, for either these 10 tins can be stolen or indeed the £4 in cash could be misappropriated by under-ringing or not registering sales, and yet inventory stock account would remain even.

Miss Goodman states that some retailers are reluctant to admit to the true scale of the problem. The fact is that very few know what the true scale is. She also says that "security must obviously be cost effective" but if the retailer does not know what the true scale is, nor indeed does he accurately know how to apportion the theft caused by staff, customers or deliverymen, it is very difficult to work out a programme of cost-effective security.

We have seen examples of advertising campaigns to reduce shop theft in other countries, none of which have had any long-term effect, and in one case the numbers of people caught shoplifting and the amounts they were stealing rose sharply during the campaign. The new trade association set up by a number of leading retailers, mentioned by Miss Goodman and called The Association for the Prevention of Theft in Shops, would be well advised, in our opinion, to concentrate its efforts on a survey to ascertain the apportionment of loss.

J. S Lodge,
59, St. James's Street,
St. James's, S.W.1.

Personnel and unions

From The Director, The Industrial Society.

Sir,—I regret intensely that two of my colleagues should have criticised, however sincerely, the Institute of Personnel Management's handling of its own union recognition issue in a letter (November 24) written from the address of the Industrial Society.

The Society which is a body supported by both employers and trade unions is concerned with all the steps that management and unions can take to increase people's involvement in their work so that the nation can be more successful in paying its way. We advocate improved management communication and leadership training of managers and supervisors at every level. We also advocate a positive attitude to the role of trade unions and that where there is some interest in trade unions by employees, employers should recognise the union at an early stage before conflict arises. It is this last point which is relevant in the present correspondence.

It is not the practice of the Society, however, to use the media to criticise our very many individual member companies or fellow organisations, all of whom are striving to make British industry and commerce even more effective. The Society as a whole has worked closely with the IPM over many years and deeply admires its work. I am sorry for the offence caused by the original letter.

John Garnett.
Peter Runge House,
3, Carlton House Terrace, S.W.1.

To-day's Events

GENERAL

Public sector borrowing requirement and details of local authority borrowing (3rd quarter) published by Central Statistical Office.

Civil and Public Services Association officials in Department of Employment meet their national officers before deciding whether to call off ban on statistical work.

Mansion House Court hears application for further adjournment of Companies Act summonses (returnable to-day) against Mr. Jim Slater.

Mr. Edward Taylor, vice-chairman, Scottish Conservative Party, and Opposition spokesman on Scottish affairs, speaks to St. Andrews University Conservative Association.

Mr. Peter Walker, Conservative MP for Worcester, addresses Berwick and East Lothian Conservative Association.

Sir Robin Gillett, Lord Mayor of London, receives Parliamentary delegation from Yugoslavia, Mansion House.

London Chamber of Commerce discusses export opportunities in educational field, following its recent mission to Iran, 69, Cannon Street, E.C.4.

Commonwealth Science Council meeting continues, Colombo.

Council of Copper Exporting Countries meeting continues, Santiago.

Korean Products Show ends, Grosvenor House, W.1.

National Council for Social Service conference ends, Liverpool.

PARLIAMENTARY BUSINESS

House of Commons: Fishery Limits Bill, second reading.

COMPANY MEETINGS

Dawes (G. R.), Birmingham, 12. Fairview Estates, Enfield, 10.30. Garford Lilley, Great Northern Hotel, King's Cross, 2.45. Highland Distillers, Glasgow, 12. Smith (Herman), Birmingham, 12. Walker and Homer, Birmingham, 12.

OPERA

English National Opera production of La Belle Hélène, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

Royal Ballet dance Swan Lake, Covent Garden, W.C.2, 7.30 p.m.

London Contemporary Dance Theatre perform Pilot, The Bronze, Nema, and Place of Change, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

Ambrosian Singers, directed by Loris Tjeknavorian, in the Story of Christmas and Epiphany according to medieval Armenian chants, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

Julian Byzantine gives guitar recital of music by de Visée, Bach, Chavez, Martin, Turina, and John Metcalf, Wigmore Hall, W.1, 7.30 p.m.

COMPANY NEWS + COMMENT

Lonrho advances 38% to £87.6m.

AN INCREASE in turnover of 75 per cent., from £606m. to £1.07bn., lifted pre-tax profit of Lonrho for the year ended September 30, 1976, by 38 per cent. from £63.3m. to £87.6m.

Stated earnings increased from 20p to 20.3p per 25p share on capital increased by rights issue. The next dividend will be considered in January. As stated in the rights issue document in September, the directors intend to pay a final of 2.8155p net, to make a total increased from 3.102p to 4.963p.

	1976 £m.	1975 £m.
Turnover	1,065.0	606.0
Group	1,005.0	548.7
Associates	60.0	57.3
Profit before tax	87.6	63.3
Group	81.9	55.3
Associates	5.7	8.0
Taxation	46.4	30.3
Net profit	41.2	33.0
Minority	13.0	10.9
Attributable	28.2	22.1

The directors state that in addition it is expected that there will be a very significant net credit on extraordinary items.

The half-time profit was up from £20.3m. to £33.2m.

● comment

The full-year figures from Lonhro were at the lower end of market estimates. The pre-tax growth which had been 46 per cent. after nine months fell to 38 per cent. for the full year, which may be partly due to the fact that a high proportion of the sugar profits arrive in the last quarter and the sugar price has fallen substantially. The tax rate has risen from 47.9 per cent. to 53 per cent., possibly because of higher unrelieved losses in the U.K.; in this context it is worth noting that Brentford Nylons has been included for the first time in these fourth-quarter figures. So, down at the earnings level the improvement has been whittled down to 28 per cent. (although the tax charge will probably be slightly reduced in the report as it was last year). Since the weighted average of issued shares has risen by 27 per cent., the earnings per share are virtually unchanged; however, the extraordinary credit due to revaluation of overseas net assets will be even larger than last year's £6m. Opinion on the shares remains highly polarised and the yield at 58p is 13.8 per cent., covered 4.1 times.

INDEX TO COMPANY HIGHLIGHTS

Godfrey Davis closes German operation

Continuing losses have prompted motor distributors Godfrey Davis to close down its German operation which is likely to lead to a write-off of £750,000. This compares with net tangible assets for the group of around £7m. at March 1976.

In a statement accompanying the interim figures last month the chairman, Mr. C. A. Redfern, told shareholders that a complete reappraisal of the German investment was being made because the losses were considered unacceptable.

Pre-tax profits for the six months were up fro m£1.25m. in the corresponding period of 1975 to £1.42m., mainly due to the good performance in the U.K.

The Godfrey Davis Board has now come to the conclusion that without a substantial injection of fresh capital, which they consider would be unjustified in the present economic climate, the German operation is unlikely to become viable.

The losses that have been incurred so far have been fully provided for in the company's accounts.

Near £1m. deficit at Judge Intl.

HOUSEWARE manufacturers Judge International plunged sharply into deficit during the year ended June 26, 1976, with a pre-tax loss of £953,000 against a profit of £507,000 for 1975.

As reported on October 20, contrary to expectations at the time of the interim report in May, the group had made further loss in the second half, after the mid-term figures had revealed a swing from pre-tax profit of £419,000 into a loss of £284,000.

The group continued to run at a loss in the first few months of the new financial year but losses are now substantially reduced with the recently improved sales performance, say the directors. They are hopeful that the company has now turned the corner and that the group will be moving into profits in the second half.

No dividend is being paid for the year. Last year's total payments were 1.846p net per 25p share.

The group has been through a very difficult time but is now much leaner and healthier as a result the directors say. Despite the generally poor economic outlook they believe that sales will continue to grow, enabling fuller utilisation of production facilities.

There has been a strong recovery in U.K. demand in the last three months and exports are increasing. A recent order worth over £500,000 from the U.S. compares with total exports during the year 1975-76 of £380,000.

● comment

Judge had already warned the market last October that its half-time projections of a second-half profit were invalid and that the group was going to continue in losses. In the event a second-half loss of £669,000 is 136 per cent. higher than that of the interim and the shares shed another 1p yesterday to 8p; only a quarter of the year's high. The main features behind the dismal performance are evidently a downturn in houseware sales during the final quarter and losses associated with the reduction of uncompetitive stocks in Canada. Meanwhile, the industrial moulding division remained very flat. A 20 per cent. rise in interest charges reflects not only a rise in the underlying borrowings, but the extra cost of financing overseas loans amounting to £1½m., out of a total of nearly £6m. Shareholders' funds are down to about £3¼m. Though there has been a trading improvement since the year-end, there is unlikely to be any dramatic recovery this year and the market capitalisation will probably stick around the current level of £530,000.

Barker & Dobson cuts loss

ON EXTERNAL sales (excluding VAT) slightly down at £20.37m. against £21.61m., Barker and Dobson has made a reduced loss, before tax, in the half year to October 2, 1976, of £609,000 compared with £1.16m.

No dividend is to be paid—the last was a final of 0.15p net per 10p share in respect of 1974. Stated loss per share is 0.91p, down from 1.72p.

Mr. R. W. Aitken, the chairman, says that the loss is considerable, but represents a significant improvement. He is confident that measures taken will maintain this trend.

	First half 1976 £000	First half 1975 £000	Year 1975-76 £000
External sales	20,366	21,606	44,930
Trading loss	286	957	1,748
Confectionery	170	319	—
Retail	116	638	1,745
Wholesaling loss*	30	†13	90
Admin. costs	187	116	395
Loan stock interest	116	100	202
Sales	10	—	341
Loss before tax	609	1,160	2,449
Taxation	—	—	68
Net loss	609	1,160	2,381
Extraord. credits‡	16	—	†1,056
Leaving loss	593	1,160	3,437

* Extra provisions for terminal costs. † Profit. ‡ Debit. § Comprise (000s omitted): Retail division re-organisation costs to date £294, provision for costs not yet incurred £296, costs relating to the re-organisation programme circulars £30, add provision established at March 27, 1976, £991, deduct extraordinary debit relating to re-organisation £39, add profit on disposal of Edward McGregor £45, leaving credit £16.

The programme of rationalisation in the retail division is continuing, Mr. Aitken says, and the performance of this division is steadily improving.

Action has been taken to improve sales margins and distribution in the confectionery division, he adds.

Whessoe recovers to £2.86m.

A TURNROUND from a loss of £1.3m. to a pre-tax profit of £2.86m. is reported by Whessoe for the year to September 25, 1976, after £0.88m. (£0.71m. loss) for the first half. And profit for the current year should be as good as that of the past year, says Lord Erroll, the chairman.

The final dividend is 2.497p making a total of 4.122p net per 25p share, against the previous year's single payment of 1.625p.

	1975-76 £	1974-75 £
Sales*	41,439,411	38,792,072
Trading profit	4,617,435	820,173
Depreciation	1,000,062	928,409
Interest charges	754,568	993,091
Profit before tax	2,862,805	†1,299,325
Taxation	1,513,092	613,209
Minority loss	27,843	49,742
Balance	1,377,558	826,374
Dividends	372,264	133,447
Unappropriated	1,005,292	†789,521

* Value of work completed. † Loss.

An analysis of trading profit shows heavy engineering £1.98m. (deficit £0.98m.); light engineering £1.21m. (£0.82m.); Aiton (£1.42m. (£0.78m.).

The value of work done was £53.96m. (£48.44m.).

Short-term borrowings were halved and interest charges greatly reduced.

The value of new contracts and additions was a record £60m., more than half of it achieved by Aiton.

Prospects for heavy engineering are dependent upon securing major new contracts for certain operating units, while the outlook for maintained activity and profit for light engineering and Aiton is good.

The July public expenditure cuts have further delayed the new nuclear programme decisions, but design and development contract work continues. Provided a serious run-down in heavy engineering can be avoided, profit for the current financial year should be as good as that of the year just ended, says Lord Erroll.

● comment

In its chequered past, Whessoe has shown ability to surprise as well as shock. A £2¼m. turnaround in the second half has produced profits at least £1m. above most forecasts. As Capper-Neill showed in its recent interim report, with a 72 per cent. gain in pre-tax profits, the industry background is buoyant for the March-September period. Whessoe also gained from additional payments on previous fixed-price contracts. But the main impetus came from partly fortuitous contract completions, always an unknown in the process plant industry. While the basic trends are continuing in the light engineering side and Aiton, there could be problems on the heavy engineering side where the order intake has slowed. With the immediate bleak outlook for power stations, the nuclear industry, and steelworks, Whessoe is unlikely to repeat last year's performance, even though there is a switch of emphasis to overseas sales. It has caught up with Capper-Neill, in terms of turnover but since Whessoe has rather lower margins, its profits had been lower by £0.6m. over the past 12 months. Whessoe is on a p/e of under 3 and the yield at 46p is 14½ per cent., against 9.1 per cent. for Capper-Neill.

CONCRETE

Concrete announces that its offers for the Ordinary and Deferred capital of Dowsett have become unconditional. Acceptances have been received for 1,552,986 Ordinary and 1,551,028 Deferred shares (99.8 per cent.).

The offers remain open.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anglo-Transvaal Cons. int.	25(a)	Feb. 5	25	—	105
Bass Charrington	2.85	Jan. 25	2.59	4.34	3.94
Buckley's Brewery ......int.	0.5	Jan. 7	0.3	—	1.0
Coalite & Chemical ...int.	0.34	Feb. 7	0.31	—	0.66
Consolidated Murchison...	90(a)	Feb. 5	60	140	80
Davenports Brewery	1.75	—	1.59	2.48	2.25
Eastern Transvaal ......int.	5(a)	Feb. 5	5	—	25
Elsburg Gold	4.55(a)	Feb. 1	20.8	9.73	33.8
Hargreaves Group ......int.	1.16†	Jan. 27	0.93	—	2.3
Hartebeestfontein ... int.	65(a)	Feb. 5	85	—	190
Judge Intl.	Nil	—	1.35	nil	1.85
Lond. Scottish Amer. ...	3.11	Feb. 7	2.53	4.16	3.58
Middle Witwatersrand int.	10(a)	Feb. 5	15	—	35
Mitchell Cotts	2.67	Jan. 31	2.37	3.33	3.02
A. & J. Mucklow	2.96	Jan. 13	2.09	5.96	5.49
Nat. & Comm. Banking...	1.21	Dec. 17	1.09	2.36	2.14
W. E. Norton ......int.	0.31	Jan. 28	0.28	—	0.56
Racal Electronics ......int.	0.63	—	0.46	—	1.35
Randfontein Estates	100(a)	Feb. 1	—	200	—
Sangers ......int.	1.8	—	1.6	—	5.28
Sekers ......int.	0.5	Jan. 28	0.5	—	1.0
Sentrust ......int.	10(a)	Feb. 17	12	—	30
United Wire Group	2.8	—	2.3	4.2	3.7
Western Areas	7(a)	Feb. 1	32	15	52
Whessoe	2.5	Feb. 1	1.63	4.12	1.63
Yarrow & Co. ...2nd int.	2.73	Jan. 7	2.45	4.13	3.75
Zandpan Gold ...... int.	10.5(a)	Feb. 5	14.25	—	31.25

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents.

Export boost for Coalite & Chemical

TURNOVER for the six months to September 30, 1976, of Coalite and Chemical Products advanced from £24.74m. to £25.86m. and pre-tax profits rose by £1.23m. to £4.99m.

The interim dividend is lifted from 0.3095p to 0.3404p net per 10p share. Last year's total was 0.6636p paid from pre-tax profits of £7.94m.

The hot summer, following a very mild winter, depressed domestic fuel sales and turnover for that side of activities suffered accordingly, say the directors. However, steps taken in March to rationalise production, including closure of the Rossington Works, maintained profitability at an acceptable level.

An increased return from growing exports and the continuing greater contribution from oils and chemicals led to satisfactory overall results.

The new herbicides intermediates unit has been satisfactorily commissioned and construction of the general purpose plant is on schedule, they add.

	Half year 1976 £000	Half year 1975 £000	Year 1975-76 £000
Turnover	25,962	24,743	54,997
Depreciation	1,797	1,571	3,426
Trading profit	4,477	3,379	7,231
Interest receivable	509	375	703
Profit before tax	4,986	3,754	7,936
Tax	2,601	1,965	4,133
Net profit	2,385	1,759	3,503

● comment

The imbalance between a 4 per cent. turnover rise and a 33 per cent. pre-tax profit lift at Coalite arises from the pattern of sales during the summer. The hot summer hit sales of solid fuels harder than oil and chemical products and the former area has the lower margins. On top of this, last year's closure of low-profit plants has also freed the company from margin drag. Solid fuels, stocks are "reasonable," for the winter period, and there should be a small first-time contribution from the new herbicide plant which has an early spring sales season. At the year-end also, the cash position should be up on last year's £4.6m., as a result of the £3.9m. rights issue in June and this in turn will boost interest receivable, already up 30 per cent. from the second half. Final pre-tax profits of £11½m. look comfortably within reach which would bring earnings up nearly to the 1975 levels. The shares, at 14¼, are on a prospective dividend yield of 7.9 per cent. and a cautious p/e of 3½ on average capital.

Adams Foods may diversify

Referring to a "sharp decline" in the butter market Mr. J. H. Adams, chairman of Adams Foods, adopted a note of caution in his annual review to holders at the annual meeting in Leek.

Although he was presenting record profits and turnover for the fifth successive year, Mr. Adams had a number of reservations to make. The main theme of his remarks centred around the continuing fluctuation and uncertainties in the butter market, the consequent wisdom of the Board's policies in diversifying into other food areas, and a hint of further expansion into such areas for the future.

The group's biscuits division, he announced, has continued to trade strongly, both at home and in export markets.

The current year was being made into one of consolidation, the chairman said, and the Board had every confidence in long-term future and expansion.

Sangers up 42% at six months

FIRST HALF sales of wholesale chemists, The Sangers Group, increased by 28 per cent. to £40.72m. and pre-tax profit advanced by 42 per cent. to £1.22m. The figures for the year to February 29, 1976 were £85.14m. and £1.88m. respectively.

Earnings per 25p share for the half year increased from 5.9p to 6.81p, and the interim dividend is raised from 1.6p to 1.8p net. Last year's total was 5.28p—earnings 10.83p.

Mr. H. T. Nicholson, the chairman, reports that trading in the second half is producing profits in line with budget forecast despite some erosion of margins compared with the first half year. To some extent this reflects the costs of the launch of a chemist gift token scheme.

Since last year's rights issue various possibilities for diversification have been investigated. An introductory step has been taken by purchasing an interest in the field of optics.

The chairman continues to view the future of the company with optimism.

	Half-year 1976 £000	Half-year 1975 £000	Year 1975-76 £000
Sales	40,722	31,838	85,138
Profit before tax	1,216	855	1,880
Taxation	632	470	1,043
Net profit	584	385	837
Preference div.	15	16	31
Available Ord.	569	369	806
Dividend	162	134	442

● comment

It seems that the inflation rate in pharmaceutical products has been faster than the general rate, leading to an important element of stock profits (which would doubtless look less impressive under current cost accounting rules). This is reflected in a 42 per cent. profits gain at Sangers on a 28 per cent. jump in sales. Also, efforts have been made to restrain the rise in overheads and, of course, the rights issue has helped. The second half should also show a rise but not as much as the first; the promotion costs of the "Chemist Gift Token Scheme" will help see to that. As for the move into selling spectacles, the Price Commission has attested to the high returns to be obtained but the Government might eventually take action to reduce them. The prospective yield of 11.4 per cent. on the shares at 80p could be covered about 2½ times.

GARNAR SCOTBLAIR

Garnar Scotblair has acquired the trading assets and goodwill of the City Butchers Hide and Skin Group which operates various hide and skin companies in the Midlands. Terms have been agreed on which Garnar will make an offer during 1977 to acquire the shareholders' remaining interests.

Malaysian minister on Sime–Pernas dispute

BY GUY HAWTIN — FRANKFURT, Dec. 2.

THE MALAYSIAN Government was not involved in the dispute between Sime Darby Holdings and the Malaysian state-owned Pernas concern, Tengku Razaleigh Hamzah, Malaysia's Minister of Finance, said here to-day. It was, he said, purely a question of the exercise of shareholders' rights.

Pernas, supported by 26 per cent. of votes, is seeking to block the re-election of four British directors and, at the same time, to get three of its nominees on to the Board. On Tuesday, it was reported that Rothputra Nominees, acting for Pernas, were seeking a compromise solution to the conflict.

Tengku Razaleigh said that his Government had no influence in the matter. Pernas, although it was state-owned, acted utterly independently of Government control.

The Tengku, who is part of a high level mission to the Federal Republic which is seeking to stimulate West German investment in Malaysia, dismissed suggestions that the Pernas move amounted to "back door nationalisation."

Dtuk Musa Hitam, Minister for Primary Industries, said Pernas was seeking a balance on the Board between executive and non-executive directors and exercising its rights as a shareholder to achieve it. The Government had no view in the matter and was committed to encourage free enterprise. It was not thought that the dispute would in any way discourage foreign investment.

Malaysia was seeking foreign investment, he said, but technology and "know-how" were more important than cash.

Margaret Reid writes: Tengku Razaleigh to-day flies to London where this afternoon he addresses a seminar at Amex Bank on investment in the developing world. Mr. Sixto Roxas, the Philippines banker who is one of Rothputra's three nominees to the Sime Darby Board, and who is also an Amex director, will preside.

Mr. Roxas denied yesterday that he or any of the other parties involved was part of a Malaysian conspiracy to acquire Sime Darby by back-door methods. However, he was hopeful that a settlement of the Sime Board dispute could be reached before the poll on December 10, since the public battle was clearly damaging, as demonstrated by the fall in the share price. (The shares were 2p up at 104p yesterday, against 123p on November 1).

Mr. Roxas agreed that the compromise solution at present proposed by Rothputra could well prove just a negotiating position. Under this formula, Rothputra would support two of the four existing British directors whose re-election had so far been blocked, in return for the acceptance of the three Asian directors and the nomination of a new chairman to succeed Mr. Jim Bywater. But he stressed that a vital ingredient, from Rothputra's viewpoint, of any package was that the management of the company should report to a Board which it did not control.

Racal forecasts record £28m.

FIRST-HALF (to September 30, 1976) pre-tax profit of Racal Electronics increased by 85 per cent. to £11.52m. and the directors forecast a 12-month total up from last year's record £19.63m. to over £28m.

Demand for the group's products continues at a record level, the directors report.

Turnover in half-year rose from £36m. to £52m. The various currency changes enabled Racal to take better profit margins in its export business in most parts of the world, says Mr. E. T. Harrison, the chairman.

Net profit came out at £5.4m. (£2.92m.) after tax of £6.12m. (£3.32m.).

Earnings per 25p share increased from 5.9p to 11.02p and the interim dividend is lifted from 0.435p to 0.625p. Last year's total was 1.552p.

Mr. Harrison reports that total sales overseas are now running at £80m. a year, compared with £50m. in 1975. Turnover is now running at a rate of over £100m. a year.

The two main areas of activity —tactical radio communications represented by Racal Tacticom and Strategic Radio Communications from Racal Communications are both having exceptional years. These are clearly spearheading Racal's progress. Exports in communication products form 85 per cent. of total production while the export figure for the whole group is 75 per cent.

Mr. Harrison says the general performance of Racal's overseas companies has been good but he singled out the group's U.S. company, Racal Communications, which is having its best year ever with a new and successful range of communications receivers of its own design and it has recently secured the largest single order in its history.

See Lex

Margins fall at Mann Egerton

Turnover for the half-year to September 30, 1976 of Mann Egerton and Co. expanded from £48.47m. to £56.67m. while pre-tax profit was up slightly at £1.65m., against £1.6m., after a substantially reduced interest charge. Earnings per 25p share were 9.38p, compared with 9.29p.

Mr J. W. D. Campbell, the chairman states that trading profit is slightly lower because of action taken to adjust margins.

	Half year 1976 £000	Half year 1975 £000
Turnover	56,667	48,469
Interest charged	73	237
Pre-tax profit	1,651	1,603
Taxation	839	834
Extraord. credits	17	7
Attrib. Ord.	778	745

Immediate prospects continue to be dominated by external circumstances, many of which are beyond the directors' control.

However, the company is very well placed to take the fullest advantage of any easement in these factors which may arise in the future, the chairman adds.

Pre-tax profit for the year to March 31, 1976, was £3.12m. on turnover of £97.73m. The company, motor and electrical engineers, etc., is a subsidiary of Inchcape and Co.

Hargreaves tops £1.8m. halfway

A SUBSTANTIAL increase in pre-tax profit, from £1,232,000 to £1,825,000, has been shown by Hargreaves Group for the half year ended September 30, 1976.

Earnings per 20p share improved from 2.7p (adjusted for rights issue) to 3.6p, and the interim dividend has been raised, with Treasury consent, by 25 per cent. from 0.9295p to 1.16p. Last year's total was 2.3045p from profit of £2.57m.

The largest jump in profit was produced in fertiliser manufacturing and distribution where, owing to seasonal factors, a major proportion of the annual profit falls into the first half. Here there was an advance from £399,000 to £733,000 representing 39 per cent. (29 per cent.) of total profit.

All but one of the other sectors also showed improvement. Solid fuel and fuel oil distribution was up at £272,000 (£134,000) and commercial vehicle building and distribution £128,000 (£119,000).

Quarrying increased from £186,000 to £304,000, while transport, shipping and warehousing though up at £275,000 against £215,000, made a slightly reduced percentage contribution to group profit.

The only activity to decline was plant hire, contracting and waste disposal, which tumbled from £264,000 to £188,000.

● comment

Thanks to reduced interest charges after last July's £1½m. rights issue and a recovery in the fertiliser associate, Hargreaves has managed to turn a modest trading profit advance into a pre-tax increase of 48 per cent. The upturn in the fertiliser operation owes more to an early reorganisation rather than a basic rise in demand, while the 64 per cent. jump in quarrying profits reflects higher production in the summer and the absence of the loss-making sand and gravel side, which was sold off last year. The other impressive performance came from fuel distribution, where the group has got hold of some better power station contracts, and the loss-making Yorkshire domestic business is not in this time. Hargreaves looks set for further growth in the rest of the year though the contracting side remains weak. At 37p the prospective yield of 12.4 per cent. is already covered by interim earnings.

BP recovery halts in third quarter

IN THE third quarter of 1976, group net income of British Petroleum shows a rise from £37.8m. to £51.9m. making a total for the first nine months of £123.9m. compared with £117.3m. in the same period last year.

Net income of the group for the third quarter compares with £51.8m. for the second quarter of the year and with £37.8m. for the third quarter in 1975.

Total sales for the quarter of 12.5m. tonnes are 1.6m. tonnes more than the second quarter, an increase of 4.1 per cent., and also shows an increase of 0.5 per cent. when compared with the third quarter of 1975.

	9 months 1976 £m.	9 months 1975 £m.	Year 1975 £m.
Sales proceeds	9,026.2	6,828.4	9,536.7
Customs duties, etc.	1,599.2	1,288.3	1,755.3
Net sales proceeds	7,427.0	5,548.1	7,781.4
Other income	159.3	124.2	178.1
Making	7,586.3	5,680.3	7,959.5
Cost of oil, freight refining, etc.	5,387.5	3,827.4	5,420.2
Distribution, selling, etc., expenses	637.6	545.1	719.4
Depreciation, etc.	164.9	138.3	193.5
Interest	124.1	77.4	103.1
Income before tax	1,252.2	1,322.1	1,523.3
Overseas tax	1,041.2	1,187.1	1,323.2
U.K. tax*	81.0	21.2	31.1
Net income	130.0	113.8	149.0
Minorities	6.1	†3.5	4.1
Extraord. items	—	—	21.3
Net income	123.9	117.3	166.2

* Comprises Corporation tax (includes £85.2m. in respect of deferred tax), less prior years' tax recoveries £467.6m. Overseas tax relief £278m.), ACT previously written off £51.9m. and Petroleum revenue tax £53.3m. † Loss.

Total sales tonnages for the nine months were 1.8 per cent. below the level for the same period of 1975. Within the total, sales of crude oil were down by 12.6 per cent. whilst sales of products and chemicals show an increase of 9.4 per cent., reflecting a slight improvement in general economic conditions.

Net income for the nine months per £1 unit of Ordinary stock is 31.9p (30.2p).

An interim dividend of 6.875p net has already been declared (6.25p)—the 1975 total was 17.99p from net income of £166.2m.

Group sales for the third quarter and nine months respectively comprised (in tonnes): crude oil, 19.6m. (21.3m.) and 57.4m. (65.7m.) and products including chemicals, 22.9m. (21m.) and 69.4m. (63.4m.). Natural gas sales were (in millions of cubic metres per day), 6.7 (7.8) and 9.1 (9.6).

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Atkins Bros. (Hosiery), William Cook (Sheffield), Highams, Amos Hinton, Oil and Associated Investment Trust, Polly Peck, Scapa Group, Trafford Carpets.

Finals — Carr's Milling Industries, Spooner Industries.

FUTURE DATES

Interims—	
AGB Research	Dec. 10
Bishop's Stores	Dec. 6
Centreway Securities	Dec. 5
Equity Consort Investment Trust	Dec. 21
General Electric	Dec. 6
Kleen-e-ze	Dec. 6
Plysu	Dec. 15
Routledge and Kegan Paul	Dec. 9
Russel Bros. (Paddington)	Dec. 8
Vinten	Dec. 14
Finals—	
Caravans International	Dec. 8
Hazlewoods (Proprietary)	Dec. 8
K Shoes	Dec. 13
Northern Foods	Dec. 16
Redfearn National Glass	Dec. 9
Southvaal	Dec. 9
Vaal Reefs Exploration and Mng.	Dec. 9
Western Deep Levels	Dec. 9

Davenports Brewery

PRE-TAX PROFIT for the year to Sept. 30, 1976 of Davenports Brewery (Holdings) expanded from £1.19m. to £1.39m. after £0.7m. (£0.55m.) at halfway.

A final dividend of 1.7524p lifts the total from 2.252p to 2.477p net per 25p share.

	1975-76 £000	1974-75 £000
Pre-tax profit	1,390	1,185
Taxation	725	647
Surplus disposal props.	5	23
Net profit	670	561

Mucklow increases to £1.7m.

PROFITS BEFORE tax of the A. and J. Mucklow Group of building contractors, estate developers, etc., increased from £1.52m. to £1.72m. in the year ended June 30, 1976, following the rise to £810,203 from £724,146 in the first six months.

Turnover for the year was £4.57m. against £3.54m. and gross rentals amounted to £1.65m. (£1.51m.).

Earnings per 25p share are 11.5p (10.64p) and a net final dividend of 2.9613p makes a total of 5.9613p compared with 5.494p previously.

Mr. J. Mucklow, chairman says the financial position of the group is strong. Rental income should continue to increase from new lettings and from rent reviews.

The trading companies have considerable profit potential and should do well when conditions improve.

	Year 1975 £	1974 £
Turnover	4,571,612	3,543,281
Gross rentals	1,652,407	1,509,930
Rentals, etc., income	1,617,732	1,482,056
Trading profits	694,697	572,794
Plant hire	110,092	76,354
Interest	160,178	271,292
Depreciation	171,776	146,239
Directors' remun.	49,080	55,909
Auditors' remun.	7,403	3,863
Registrar's fees	8,563	3,683
Profit before tax	1,715,437	1,517,420
Tax	684,830	563,714
Net profits	1,030,587	953,706
Preference div.	33,075	33,075
Interim Ord.	258,794	67,500
Final Ord.	255,455	256,276
To reserves	483,263	594,555

Lombard North Central turns in £8.48m.

THE TREND of profitability established by Lombard North Central since March 31, 1975 has continued and the year to September 30, 1976 shows a group profit, before tax and extraordinary items of £8.48m., compared with a loss of £3.49m. for the previous year. At half-way there was a profit of £4.05m., against a loss of £4.31m.

Buoyant instalment credit business in the U.K. was the dominant factor in the group's profitability, the directors state.

There was little improvement in the property market generally, but further progress was made in stabilising advances secured upon property and the level of residential property sales by customers was encouraging. The demand for commercial and industrial properties shows little evidence of early recovery.

The company continued to fund its U.K. and overseas operations satisfactorily and, while overall money costs showed a reduction, there was a marked upturn in the second half.

Large fluctuations in international exchange rates eroded the exchange fluctuation reserve previously accumulated by Lombard Australia and dictated the need for a change in funding policy. Accordingly, during the second half of the year, Euro-currency loans were largely replaced by local borrowings.

Nevertheless, the recent devaluation of the currencies of Australia and New Zealand has depleted the reserves of the group by approximately £10.5m. which will be reflected in the current year accounts.

LNC is a subsidiary of National Westminster Bank.

	1975-76 £000	1974-75 £000
Group profit	[illegible]	*3,486
Taxation	[illegible]	†2,562
Minorities	130	*42
Preference dividends	[illegible]	96
Balance	[illegible]	*975
Extra-ordinary debits	[illegible]	56
Attributable	[illegible]	*1,034
Ordinary dividend	1,250	—
To reserves	2,086	[illegible]1,034

* Loss. † Credit. ‡ From reserves.

The extraordinary items comprise (£'000 omitted) net deficit arising on disposal of subsidiary companies £20[illegible] cost of control arising on subsidiaries acquired during the year, written off £824, less profit on realisation of properties £13[illegible]000 less tax and minorities £1[illegible].

Bromsgrove Casting

Turnover of Bromsgrove Casting and Machining rose from £867,577 to £917,052 in the half year to September 30, 1976, while profits fell from £118,000 to £94,000 including investment income of £3,000 against £6,500 but after expenses of £30,000 incurred in getting the new Droitwich factory into production. There is no tax charge compared with £37,200.

Due to an agency error, yesterday's report showed the comparative profit figure at £188,000.

W. E. Norton ahead in first half

FIRST-HALF (to September 30) turnover of machine tool merchants W. E. Norton (Holdings) increased from £3.1m. to £3.6m. and pre-tax profits were £183,000 against £150,000 previously.

Mr. W. Norton, chairman, says prospects for the months ahead appear good. November was a record for orders received.

The net interim dividend is lifted from 0.27891p to 0.30679p. Last year's total was 0.55782p, from pre-tax profits of £356,549.

Tax charge in the first half was £85,000 (£82,000) but in view of stock relief, may not be payable, the directors say.

The pending litigation in connection with the claim concerning the group's investment in Kearney and Trecker Marwin is being pursued, it is stated.

National & Commercial sees tight squeeze

THE IMPOSITION of the corset controls on the banks will mean a very tight squeeze on lending over the next six months, Sir James Blair-Cunynghame, chairman of the National and Commercial Banking Group, stated yesterday.

It was "unthinkable," the bank said, that industry would be deprived of funds to support real investment as a result, and if this problem arose the banks would approach the authorities for a relaxation.

But there was a danger in the present low utilisation of agreed overdraft limits, and the banks would have to hold back lending to other groups in order to ensure they could meet short-term fluctuations in industry's demands.

The bank also suggested that the corset could drive borrowing into other markets outside the banking system such as inter-company lending.

Commenting on the new inflation accounting proposals, Sir James echoed the general criticism of the banks. He argued that the proposals at present would result in overstating the profits of the banks, and did not deal with the problem of adjustment for the impact of inflation on the banks' monetary assets. However, it appeared that the banks might be given special treatment.

Profit expansion

Pre-tax profit of the bank for the year to September 30, 1976, expanded to £57.72m. (compared with £37.23m. for the previous year which was struck after an additional provision of £10m. against advances).

Earnings per 25p share for the year rose from 7.8p to 12.4p, and the dividend is stepped up from 2.143p to a maximum permitted 2.3573p net with a final of 1.2073p.

	1975-76 £000	1974-75 £000
Operating profit	51,616	42,258
Addtnl. provns. against advances	—	10,000
Share associates	6,104	4,975
Profit before tax	57,720	37,233
Taxation:		
Company and subs.	26,692	16,950
Share associates	3,234	2,860
Net profit	27,884	17,523
Preference divs.	54	54
Earned for Ord.	27,830	17,469
Extraord. debit	6,069	*743
Ordinary dividends	5,298	4,517
Retained	16,463	13,395

* Credit.

Extraordinary items comprise (£000s omitted) net deficit on premises trade investments and investments in associated companies £4,976 (£1,175 surplus), expenses of subordinated loan issue £430 (nil), credits £18 (£138), and debit share associates £661 (£570).

Operating profit of The Royal Bank of Scotland Group was £31.48m. (£2.45m. less additional provision against advances £3m.). With share of associates £4.92m. (£4.45m.), pre-tax profit was £36.4m. (£25.95m.).

Tax absorbs £19.25m. (£13.78m.) leaving £17.16m. (£12.17m.) before extraordinary debits of £4.24m. (£0.44m.). Ordinary dividends take £3.45m. (£3.41m.), leaving retained £9.46m. (£8.32m.).

The extraordinary items include the writing down of the bank's investment in Associated Securities to reflect the effect of the subsequent sale last month.

Williams and Glyn's Bank Group's operating profit was £20.18m. (£18.09m. less additional provision against advances £7m.). Share of associates was £1.18m. (£0.52m.), giving a pre-tax profit of £21.36m. (£11.61m.).

Tax takes £10.59m. (£6.03m.), and after extraordinary debits of £1.83m. (£1.18m. credits) the net balance is £8.94m. (£6.76m.).

Ordinary dividends absorb £2.09m. (£1.62m.) leaving retained £6.85m. (£5.14m.).

The results of the National Commercial group were influenced by three features which were common to the operations of both the Royal Bank of Scotland and Williams and Glyn's Bank, namely wider interest margins, almost unchanged volumes of sterling deposits and advances and overall costs rising in line with inflation, the directors state.

The share of pre-tax results of associates was more than £1m. higher than last year. The much improved situation at Finance for Industry meant that the group's share of its results changed from a loss of £1.27m. to a profit of £0.68m.

But the group's share of results of Associated Securities in Australia, where last December the company wrote down certain assets and made provisions against possible losses, showed a loss of £0.91m. (profit £0.56m.). Lloyds and Scottish and other associates all contributed higher profits.

See Lex

Shrewsbury & Wem Brewery

Turnover of Shrewsbury and Wem Brewery Co. for the year to September 24, 1976, was £3,752,213 compared with £3,232,209. Profit was £335,933 against £486,281, subject to tax of £243,527 against £208,872.

The Ordinary dividend absorbs £85,000 (same).

The company is a subsidiary of Greenall Whitley and Co.

Reuter

Recovery by United Wire

AFTER falling from £517,000 to £324,000 in the first half, pre-tax profits of United Wire Group finished the 53 weeks to October 2, 1976 up from £556,000 to £1.11m. on turnover of £10.29m. against £9.19m.

After tax of £583,000 (£228,000) earnings are shown at 6.4p (4p) per 25p share and the dividend is raised from 3.7p to 4.2p net with a final of 2.8p. Extraordinary debits absorb £58,000 compared with £314,000 and profits attributable to ordinary shareholders are £464,000 (£12,000).

The improvement in second-half profits resulted mainly from higher sales without a corresponding increase in costs, say the directors.

Rising metal values and improved sterling proceeds from overseas sales in foreign currencies also contributed to profits. Extraordinary debits were not as large as anticipated at the half year, due to compensatory gains on consolidation of overseas assets.

Mitchell Cotts on target

RECORD pre-tax profits of £9.5m. are reported by the Mitchell Cotts Group for the year ended June 30, 1976—an 18.8 per cent. increase on the previous year and in line with the directors' estimate in September.

And on the basis of present available indications, the Board considers that profits for the current year will be close to those now reported.

Earnings per 25p share are 7.22p (6.19p) and 7.01p (6.19p) fully diluted. A net final dividend of 2.66925p makes a maximum permitted total of 3.3255p against 3.0232p.

The directors say the year's figures reflect a substantial increase in engineering profits (mainly attributable to the record results already announced by the group's South African subsidiaries), a reduction in agricultural profits (the 1975 figures included nine months' contribution from the Tendaho cotton plantation prior to its nationalisation by the Ethiopian Government), and higher than expected losses from the group's Canadian and Belgian subsidiaries.

	1975-76 £000	1974-75 £000
Profit	12,536	10,557
Interest	3,286	2,865
Associates profits	294	338
Profit before tax	9,544	8,030
Tax	4,856	3,949
Net profit	4,688	4,081
Minorities	1,222	1,118
Extraordinary debits	235	242
Attributable	3,231	2,721
Preference div.	37	37
Ordinary div.	1,593	1,352
Retained profit	1,601	1,332

Setback at Shiloh Spinners

Oldham based Shiloh Spinners reports profits down from £108,872 to £49,298 for the half-year to October 2, 1976 subject to tax of £25,634 against £56,613.

As known, the interim dividend is held at 0.75p net per 25p share. Last year's total was 1.636p paid fro mpre-tax profits of £145,531.

While the outlook for the conventional spinning activities continues to be fraught with uncertainty, the directors say they face the future with reasonable confidence subject to the government taking firm measures to overcome the present economic difficulties and subject to steps being taken to safeguard the textile industry from "the disruptive and subsidised imports which are so adversely affecting the industry at the present time."

London Scottish American earnings up

Gross revenue of the London Scottish American Trust increased from £1.28m. to £1.43m. in the year ended October 31, 1976. Net revenue was higher at £770,048 against £683,748 previously.

Earnings per 25p share were 4.6p (4.08p) and a net final dividend of 3.11p lifts the total from 3.575p to 4.16p.

Net asset value per share is 139.6p (134.3p).

Sekers first half growth

ON MARGINALLY higher external sales of £2.06m., first-half pre-tax profit of Sekers International increased from £77,200 to £118,600.

The increase was achieved in a difficult period. All sections contributed, the directors state.

The company is proceeding with the profit improvement programme and new marketing strategy to take advantage of any improvement in market conditions.

Earnings per 10p share were 1.03p (0.66p) and a same again interim dividend of 0.50p net per 10p share is declared. The total for the year to March 31, 1976 was 1p from profits of £132,567.

The company manufactures fabrics and curtains.

	Half year 1976 £	1975 £
External sales	2,058,000	2,041,000
Profit before tax	118,600	77,200
Taxation	58,600	44,800
Net profit	60,000	32,400
Minorities	5,000	†2,600
Insurance proceeds	—	120,000
Attributable	55,000	155,000
Interim dividend	26,690	26,690

† Losses.

MINING NEWS

More December dividends

BY KENNETH MARSTON, MINING EDITOR

IN THE latest batch of December dividends from the South African gold and uranium mines Randfontein follows up its 1976 interim of 100 cents (69p) with a similar payment for the year's final. Prior to the 1976 interim, the mine's last payment was for 1970 after which a new era was ushered in by the development of the new Cooke section of the property.

Randfontein's satisfactory 1976 dividend total of 200 cents can be viewed against the continued earnings progress of the Cooke mine and the decision to resume uranium operations at the original property: earlier this year the company said that it should be possible to recommence "modest" dividends while providing the funds needed for uranium production.

Hit by the onset of tax liability and high capital spending, the marginal Western Areas is declaring a final of 7 cents (4.8p) which makes a 1976 total of 15 cents compared with 52 cents for the previous year. The holding company, Elsburg, is paying a final of 4.35 cents (3.1p) to make a year's total of 9.75 cents against 33.8 cents.

In the Anglo-Vaal group the antimony-producing Consolidated Murchison continues to tread cautiously with a final of 90 cents (62p) which makes a 1976 total of 140 cents. This compares with 80 cents for 1975 before the recovery in earnings.

The gold and uranium producing Hartebeest is declaring an interim of 65 cents (44.9p) which compares with 85 cents a year ago and the subsequent final of 105 cents. The group parent, Anglo-Transvaal Consolidated, is maintaining its 1976-77 interim at 25 cents while Middle Wits is reducing its half-time payment by 5 cents to 10 cents.

Meanwhile, the Barlow Rand group's Harmony announces latest drilling results from the Vermeulenskraal area prospecting. The most encouraging come from hole VL 1 which has obtained from four intersections of the Basal reef, at depths of about 1,530 metres, average values equivalent to 1,600 centimetre-grams gold and 16.5 centimetre-kilograms uranium.

SLN £120m. in New Caledonia

AN EXPANSION and improvement programme involving the investment of Frs.1bn. (£120m.) for its nickel mining facilities in New Caledonia is to be launched by Societe Metallurgique le Nickel (SLN), a jointly-held subsidiary of the French Imetal and Elf-Aquitaine groups. Of the total investment some Frs.200m. will be spent next year.

The overall programme in this Pacific territory envisages an expansion in mining capacity at Kouaoua to 1.2m. tonnes of ore per year and that at Nepoui to 2m. tonnes. It is also proposed further to raise the annual output of the Doniambo treatment plant to around 100,000 tonnes of nickel by improving ore preparation and calcination.

Walking into big business

A YOUNG British export industry is about to get into its stride, with Venezuela and South America among its more immediate destinations. The 1973 oil crisis killed off many enterprises, but one it gave the kiss of life to was the construction of walking draglines for opencast mining, comments Peter Cartwright.

These are the monsters whose 200-300 foot booms are occasionally to be glimpsed against the skyline, and whose huge buckets are capable of grabbing 100 tons or more of coal or iron ore at a time, besides overburden. It is fabrication on a gargantuan scale and world markets are dominated by about five or six specialists like Marion Power Shovel and Bucyrus in America, Ruston Bucyrus and Ransome and Rapier in this country.

Relatively cheap oil put constructors into decline in the sixties and there was little or no new work until the 1973 oil crisis revolutionised energy programmes. Most countries of the world—China, the Americas, Australia, South Africa, Indonesia—are sitting on coal.

The British constructors will be exporting against a strong home background. The Opencast Coal Executive of the National Coal Board is in the second year of a programme to raise output by around 1m. tons a year from 9m. to 15m. tons annually. The OCE is operating 50 sites from South Wales to Scotland and the programme represents a capital investment of £200m.

As a token of the potential, Ruston Bucyrus is building two 32 cu.-yd. (50 ton) capacity machines each costing £4.2m. But the OCE programme covers altogether some 20 major civil engineering constructors who can also be expected to share in the export drive. "We have had tremendous interest from America because of our competitive prices, even though the machines cost several million pounds." Mr. David Sansom, director of Ransome and Rapier said. "We can see years of export business ahead."

The British machines have a god reputation. For instance, a 40 cu-yd. Ransome and Rapier machine that went into action near Glyn Neath, South Wales, 13 years ago, and has been working round the clock at 80 per cent. availability, is only now having its first major overhaul. When opencast coal mining fell all over Europe—in the U.K. output plunged from 14m. to 7m. tons annually—it seemed the end for walking draglines costing up to £8m. each. Now they have an even brighter world future.

PACIFIC COPPER SEEKS PARTNER

The Australian arm of Canada's Pacific Copper needs more cash to speed the returns from the wolfram operation at Torrington, New South Wales and is prepared to reduce its own equity in the venture. The annual report states that a new partner would receive 5 per cent. of the equity in return for an immediate provision of $50,000 (£30,400).

Pacific Copper took a 60 per cent. option on the property last March and a new arrangement along these lines would reduce its share of the venture to 57 per cent.

The annual report says that the company's approach to the Torrington venture is "basically simple." The project has the potential to generate cash quickly from a commodity that is highly priced on world markets. Readily available ore will be exploited first and exploration of surrounding tenements will be arranged concurrently.

Pacific Copper has started production and is building up to a monthly ore processing rate of 20,000 tonnes. The shares were unchanged at 20p yesterday.

BIDS AND DEALS

Standard Chartered buys out merchant bank

BY MICHAEL BLANDEN

Standard Chartered Bank is paying around £1.7m. to develop its interest in merchant banking by buying out the 51 per cent. stake held by Tozer Kemsley and Millbourn (Holdings) in their joint company, Tozer Standard and Chartered.

It was announced yesterday that the two companies had reached agreement for the joint merchant bank to become a wholly-owned subsidiary of Standard Chartered.

The move will give the group a full in-house London-based merchant banking capacity. It is expected to build further on its growing business in corporate finance and project finance, complementing the group's international banking business and its merchant banking activities overseas.

Tozer Standard and Chartered was established in 1973 and its £3m. capital has been held as to 49 per cent. by Standard and 51 per cent. by Tozer Kemsley and Millbourn, the international trading and finance house.

The net tangible assets of the merchant bank at the end of 1975 were £3.472m., while its pre-tax profits for that year were £358,000. In the absence of unforeseen circumstances, profits of this order are expected again for the current year.

TKM will sell its 51 per cent. shareholding to Standard for cash, and the transaction is expected to be completed early next year. The consideration for the sale will be based on the net assets at the end of 1976.

RICHARDS-IMP. KNIFE

Richards of Sheffield (Holdings) has written to shareholders stating that, having consulted its financial advisers, merchant bankers Hill Samuel, they take the view that the 21p per share cash bid from Imperial Knife Associated Companies Incorporated is "totally unacceptable." Shareholders are therefore strongly recommended by their Board to reject the offer.

The Board expects to be sending out a further letter to holders in the near future giving the reasons for their opinion.

OVER 50% OF INGERSOLL REJECT LAP HENG

Shareholders representing more than 50 per cent. of the capital of Ingersoll Group have indicated that they do not intend to accept the Hong Kong-based Lap Heng company's 33p per share cash offer for the company, according to a new circular distributed to Ingersoll shareholders by their Board yesterday.

As already announced, the Ingersoll Board is opposed to the Lap Heng offer. Indeed since this was first announced the directors say they have had other approaches which may lead to new and better offers for the company.

GLYNWED PAYS £2.6M. FOR COOPER & TURNER

Glynwed, the Midlands metals group, has acquired Cooper and Turner, a private company in which the Industrial and Commercial Finance Corporation (ICFC) and County Bank have a holding of around 29 per cent. each.

Consideration for the deal is 3,466,637 Glynwed shares, plus £285,738 in cash. The total payment—with Glynwed at 86p, down 1p last night—amounts to over £2.6m.

Cooper and Turner, which operates three manufacturing units in the U.K. and has a marketing and distribution company in the U.S., made pre-tax profits of £830,000 in the year ending July 2, 1976. Net tangible assets at that date were £1.4m. Profits growth has been considerable: in the 15 months ending July 2, 1972, the pre-tax total was £250,000.

The directors of Cooper and Turner have given assurances that the rights of employees will be safeguarded. An increased volume of business is anticipated for the group.

Better second half gives Bass £13m. increase

SALES of Bass Charrington rose 22.4 per cent. to £801.7m. in the year ended September 30, 1976 and profits before tax were £13m. higher at £68.6m., after £28.2m. (£23.6m.) at halfway.

A net final dividend of 2.852368p makes a total for the year of 4.335580p compared with 3.941437p previously. Earnings per share are 10.7p (9.1p).

The year's balance on trading of £86.2m. (£70.5m.) was struck after depreciation £18.0m. (£15.7m.), crediting surplus on sale of property and investments £3.7m. (£1.4m.), plant hire, £4.4m. (£4m.) and closure costs, £0.2m. (£1.1m.).

The trading balance is also after a further provision of £4.5m. (£2m.) in respect of certain stocks of Bordeaux wine, as the situation in Bordeaux has not improved to the extent expected.

Cost of borrowing amounting to £17.6m. (£14.9m.) comprises—interest payable less receivable £10.8m. (£13.4m.). Exchange differences £7.4m. (£1.6m.) and surplus on redemption of debentures £0.6m. (£0.1m.).

Funds employed at September 30 were £606.9m. (£533.5m.).

	Year 1975-76 £m.	1974-75 £m.
Sales	801.7	654.9
Trading	86.2	70.5
Cost borrowing	17.6	14.9
Earnings before tax	68.6	55.6
U.K. tax*	38.2	29.3
Overseas tax	0.3	0.6
Net earnings	30.1	25.7
Minorities	—	0.1
Preference dividends	0.3	0.3
Earnings Ordinary	29.8	25.3
Ord. dividend	12.0	10.9
Retained	17.8	14.4

* Including £7.6m. (£10m.) deferred tax.

See Lex

Bremar record first half

NET PROFIT of finance group, Bremar Holdings, increased by 25 per cent. to a record £479,039 for the six months to September 30, 1976. Pre-tax profits rose to £607,218 from £539,440.

Activities in Euro-currency loans continue to expand, as does the substantial foreign exchange income which accrues from the group's international business, the directors state.

	Half year 1976 £	1975 £
Profit before tax	607,218	539,440
Tax	128,179	142,694
Net profit	479,039	396,746
Minorities loss	1,545	*390
Forward	2,413,606	1,211,911

* Profit.

The company also continues to maintain liquidity at high levels with the bank's portfolio of loans and advances being supported by bank guarantees or prime collateral. The group's corporate banking services also represent an increasingly important facet of the operations.

Total assets at September 30, 1976, were £22.85m., compared with £20.76m. a year earlier. Cash appeared at £3.97m. (£2.73m.), loans to banks £3.15m. (£6.4m.) and loans and advances £10[illegible] (£8.73m.). Current and deposit accounts totalled £[illegible] (£8.17m.), due to banks £11[illegible] (£9.28m.) and creditors, etc. £2.52m. (£1.13m.).

Buckley's Brewery

Continued steady progress is shown in the half year results of Buckley's Brewery where pre-tax profit is up from £358,558 to £398,669 for the 26 weeks to October 2, 1976.

Sales by the Llanelli-based brewery advanced from £2.6m. to £3.09m. and trading profit was higher at £392,719 (£341,532). Tax takes £195,000 (£183,000).

The interim dividend is raised from 0.3p to 0.5p net per 25p share, absorbing £53,533 (£24,000). Last year's total payment was 0.9974625p from record profit of £712,905.

Whitbread and Co. has a substantial holding in the company.

Yarrow accounts delayed

IN A LETTER to shareholders Sir Eric Yarrow, chairman of Yarrow and Co., says the directors have decided to defer completion of the annual accounts for the year ended June 30, 1976 until approval has been received from the Ministry of Defence and the Department of Industry for a further distribution of retained profits from Yarrow (Shipbuilders) to Yarrow and Company. The AGM must be held before the end of December and has been convened for December 24.

As the accounts for 1975-76 will not be available in time, a resolution will be put to the meeting to adjourn it until a later date.

Yarrow (Shipbuilders) again had a successful year and made profits before tax of £4.9m. Accordingly an application has been made for a substantial further distribution of retained profits to the parent company. Prior to the application, distributions totalling only £1.1m. had been authorised, of which £0.6m. (originally £0.5m.) was for the year ended June 30, 1975 and £0.5m. for the first half of 1975-1976.

The original distribution of £0.5m. was incorporated in the 1974-75 accounts, and the additional distributions since authorised together with the amount authorised in respect of the current application, will be incorporated in the accounts for 1975-76.

The Board considers that group trading results for 1975-76 justify payment of the maximum permitted dividend and the second interim dividend is therefore 2.729p per 50p share, for a 4.129p (3.75375p) total.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E
—	F.P.	—	£51⅞	£23¼	Esmark $C81	£28⅞	+¼	Q$1.??	—	3.0	[illegible]
—	F.P.	—	30⅞	29⅛	Utd. Technologies US$	£30	+¼	Q$1.20	—	2.5	[illegible]
—	F.P.	7/1	197	185	Willis Faber 25p	185	.....	7.0	2.4	5.6	[illegible]

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
††£94	£10	—	11½	11⅛	Essex Water 9% Red. Pref. 1982	11½	—
$US100	F.P.	—	$10	$98⅛	Kockums Mek. ?% Guar. Notes 1988	$98⅛	—
KD—§	F.P.	—	[illegible] KD	[illegible] KD	Korea Development Bk. ?% Guar. Bonds 197-	[illegible] KD	—
$US100	F.P.	—	$100	$98	Midland Int. Fin. 8¾% Guar. Bds 1988	$98	—
††	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	70	—
$c100	F.P.	—	$c99	$c9-	Nova Scotia (Prov. of) ?% Db. 1983	$c99	—
$US98	F.P.	—	$99½	$98	Sth. of Scotland Elec. 8¼% Guar. Notes 1981	$99	—
$US99½	F.P.	—	$99½	$98	Svea Skogsagarna 9½% Guar. Bds. 1986	$99	—
††£94	10	7/1	10⅝	10⅛	Tendring Hundred W'wks 9% Red. Pf. 1981	11½	—
—	F.P.	7/1	75½	71	Willis Faber 7% Cum. Pref.	71	—

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
54	Nil	10/12	28/1	11½	4	Assoc. Engineering	11½pm	+½
$A4	$A2	—	3/12	560	375	Broken Hill Props.	375	—
62	Nil	—	—	14	8	Chloride Group	14pm	+2
11	Nil	6/12	7/1	1½	½	Gray Electronic	1pm	—
25	F.P.	26/11	11/12	32	+	Fairbain Lawson	31	—
124	F.P.	1/11	17/11	136	119	General Accident	136	—
100	F.P.	29/10	10/12	150	101	Howden (Alexander)	126	—
$A1.77	F.P.	5/11	17/1	210	189	National Bank of Australasia	190	—
$A1.20	F.P.	[illegible]		197	128	Western Mining	150	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p *** Price unless otherwise indicated. u Forecast dividend cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 197-. Q Gross. t Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 29c S.Afr cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid) ‡ provisional or partly-paid allotment letters. § With warrants. ◆ After suspension. KD Kuwait Dinar.

STOCK EXCHANGE BUSINESS IN NOVEMBER

Active trading in gilts raises turnover to over £10½bn.

BY GEOFFREY FOSTER

U.K. Stock Exchange trading in November was more active than recently, an improvement in business being recorded in all main sectors. Total turnover last month, at £10.6bn., was up by £2.4bn., or nearly 30 per cent. on October and nearly double August's £5.4bn. (the lowest so far this year). These was one more trading day in November than in October.

The number of bargains rose by a mere 8,332 to 362,932, but the Financial Times Turnover Index for All Securities reached 325.0 compared with 250.5 in October. The year's high so far is the 515.6 attained in January.

As in October, the big improvement in business was due to increased volume in Gilt-edged securities. Here, turnover rose by just over £2bn. to £8.5bn., the highest since January's record of £13.7bn. Business in short-dated Funds, which showed a 44 per cent. increase in October, actually declined last month by £0.3bn. to £4bn. but the medium and longer-end of the market provided the boost in business volume with turnover in other Fixed-interest stocks rising £2.4bn. to £4.5bn. Bargains increased by 8,514 to 77,320, indicating that larger deals were transacted throughout the month.

The average value per bargain was down £29,082 to £130,122 in the shorts but up by a huge £46,683 to £96,702 in other securities.

The Financial Times turnover index for British Government Securities last month was 360.5 against 273.5 in October, the year's high and low figures so far being 580.9 (January) and 169.7 (August).

Business volume in equities also improved, but only slightly. November's total of £1.1bn. was £0.1bn. up on October's and £0.2bn. higher than August's total of £0.9bn.; the year's low so far. The number of bargains decreased by 4,196 to 244,578. The average value per bargain improved slightly to £4,506 from £3,953 in October. The Financial Times Turnover Index for Ordinary shares reflected this with an improvement to 196.6 from 175.7 in October: the 1976 low of 154.6 was established in August while the high of 321.0 was recorded in January.

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short-dated (having five years or less to run)	4,051.6	38.2	31,137	8.6	184.2	130,122	1,415
Others	4,466.0	42.1	46,183	12.7	203.0	96,702	2,099
Irish Government	483.1	4.6	4,130	1.2	22.0	116,976	188
U.K. Local Authority	354.5	3.3	8,043	2.2	16.1	44,081	366
Overseas Govt. Provincial and Municipal	27.2	0.3	1,564	0.4	1.2	17,422	71
Fixed Interest Stock, Pref. and Prefd. Ord. shares	121.1	1.1	27,297	7.5	5.5	4,436	1,241
Ordinary shares	1,102.0	10.4	244,578	67.4	50.1	4,506	11,117
Total	10,605.6	100.0	362,932	100.0	482.0*	29,222*	16,497*

* Average of all securities.

Gilt-edged quotations generally moved higher last month. A steadier pound, the prospect of an economic package to follow the hoped-for IMF loan and hopes that interest rate levels may have reached their peak provided the background for buying of gilts which built up to substantial proportions in the early part of the month.

Investment funds poured in and quickly exhausted both the existing short and long "tap" issues. The new £600m. short-medium "tap" stock, also exhausted within a week of issue. The Bank of England's move to put a further squeeze on bank lending in order to cut back the growth in money supply also spurred gilts and £300m. of the long "tap" stock—Treasury 15¼ per cent., 1996, was sold in one day.

Closing October at 56.42, the Government Securities index touched 58.44 (November 19) before closing the month 1.68 points, or 3 per cent., higher at 58.10.

Equity prices also took a turn for the better in November. After sustaining a sharp setback on November 8 when a report of an upward revision by the Treasury in next year's public sector borrowing requirement prompted substantial selling, prices edged forward later in the wake of a firmer performance of sterling. The Bank of England's credit squeeze measures and the miners' leaders' decision to reject the National Coal Board's retirement offer brought about a slight reaction towards the end of November. On the month, however, the Financial Times Industrial Ordinary share index improved 20.9 points, or 7.6 per cent., to 297.6, after extremes of 317.0 (November 18) and 253.6 (November 2).

South African Gold shares gained ground last month, generally in sympathy with the bullion price. On November 15, bullion jumped to $139.25 an ounce, its highest closing level since January 6. The FT Gold Mines index on that day touched its highest, 151.0, for over four months before closing November a net 3.2 points, or 6.6 per cent., up at 131.6.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Japanese company profit rises may be temporary

BY CHARLES SMITH

THE 513 companies listed on the first and second sections of the Tokyo stock exchange registered a 54.9 per cent. increase in their recurring profits during the six months ending last September as compared with the previous six month business term ending in March.

This estimate, published in to-day's Nihon Keizai Shimbun the leading Japanese economic daily, confirms earlier impressions of a sharp profit recovery in the past six months. Nihon Keizai, however, adds some cautionary comment, which suggests that the profit rise may have been based to some extent on temporary and special factors.

The paper says that a big factor in the improvement was cost cutting measures, including early repayment of loans and personnel transfers or lay-offs. Strong export performance by industries such as cars and electrical goods also contributed to the healthy March/September profit figure. But these, adds Nihon Keizai, may not necessarily be repeated in the six months to come.

The strong rise in profits contrasts with a recovery of only 5.4 per cent. sales, thus underscoring Nihon Keizai's point that cost cutting measures rather than increased turnover were a major factor in improved showing of the last six months. It is pointed out that after previous Japanese recessions recovery in company profits was normaly stimulated by rising sales, not by cost cutting.

Looking at the profits picture on an industry-by-industry basis Nihon Keizai says that in the six months to last March, 90 per cent of Japanese company profits came from six major industries (including cars and electrical goods) with almost all other major industries either scoring only very marginal profits or running at a loss.

This time the distribution of profits has widened and the incidence of individual loss making companies on the Tokyo exchange has fallen from one out of four during the March term to one out of six. Major industries which lost money during the previous business term but were back in the black by September included paper and pulp, and steel (in all cases partly due to price increases).

Industries which did well during the September term included trading companies (11.1 per cent. of the total). Nihon Keizai, however, warns that oil refiners relied heavily on foreign profits while trading companies were still "window dressing" their results during the September term by the sale of securities and property.

Industries which were still in very low water during the last business term were machine tools (hit by the continuing slackness of capital investment) and non-ferrous metals (one out of two companies listed in Tokyo still making a loss). Nihon Keizai's final comment on the profits outlook is that recovery should continue, but perhaps at a reduced pace during the six months term ending next March. The paper adds a reminder that in the period up to September last year Japan experienced its longest and steepest decline in business results since the war, stretching over four consecutive six month periods.

● CONSOLIDATED net profit of Sony Corporation will be boosted by 14 to 15 per cent. to between Y3.42bn. and Y3.45bn. for this fiscal 1977, started last month, from Y30bn., estimated for the last fiscal year ended October 31. President Kazuo Iwama said.

He made the forecast in Sony's new business programme announced for the current fiscal year.

Iwama said consolidated sales in the same fiscal 1977 will rise about 15 per cent. to Y540bn. over an estimated Y460bn. for the last fiscal year.

Iwama said his company expects to turn out and market 2m. colour television sets during the year under review, of which 1.2m. units will be sold overseas, covering sluggish domestic sales.

Of the 1.2m. overseas sales, between 550,000 and 600,000 sets will be assembled overseas by its American and British subsidiaries, he said. Its San Diego factory's capacity is expected to rise to 400,000 or 450,000 sets a year from the present 300,000.

Sony's colour television production and sales in the last fiscal year, 1976, are estimated at 1.85m. including 1.05m. for overseas sales.

Iwama said Sony plans to invest about Y30bn. in its equipment expansion programme during the current fiscal year, with emphasis placed on video systems.

The new capital outlay plan is about 50 per cent. larger than the last fiscal year's sale, he said. He added that production of "Beatmaz" video taperecorders (VTR), Sony's strategic post-colour TV product, will be increased from the last fiscal year's 100,000 sets a year to 250,000 this fiscal year.

Iwama said Sony plans to expand monthly production of its VTR system to 15,000 sets by March, 1977 and 25,000 sets by next August.

Reuter

Carrefour upturn

Pre-tax turnover of Carrefour Supermarches SA for first 11 months was Frs.6.50bn. (Frs. 5.40bn.) reports Reuter from Paris. November turnover totalled Frs.681m. (Frs.515m.).

Concrete (Monier) to buy out U.S. tile partner

BY JAMES FORTH

SYDNEY, Dec. 2.

CONCRETE Industries (Monier) plans to buy out its partner in the U.S. roofing tile manufacturer Monier Raywood Company, for $A7.4m. The bulk of the funds will come from a rights issue, on the basis of one new share for every nine held. The issue price is $A1.00 a share, and compares with closing sales in Sydney to-day of $A1.50. The rights issue will raise $A5.9m.

Along with the expansionary move, Concrete Industries directors forecast a 30 per cent. profit boost for the December half-year. In the 1975 December half, the company boosted earnings 48 per cent. to $A3.5m. and ended the year to June with an 81 per cent. gain to $A7.9m.

Concrete Industries was set up in the U.S. in 1965 on a 50-50 basis with Raymond International Inc. of Texas in an attempt to break into the U.S. market.

The first plant was installed in Los Angeles in 1966. Since then two plants have been established in the San Francisco area, two in Los Angeles and one each in Phoenix, Arizona, and Dallas, Texas. The Concrete Industries directors said to-day that Monier Raymond had continued to increase its market share in all areas of activity.

Redland and Redland Brick of the U.K., which hold 47.6 per cent. of Concrete Industries, intend to take up their full entitlement to the rights issue. Merchant bank, Hill Samuel of Australia has underwritten the remaining 52.4 per cent. of the issue.

● A $55m. expansion over the past four years together with a stringent cost cutting campaign combined to boost earnings of Commonwealth Industrial Gases 26 per cent. to $A10.8m. in the year to September 30. The company plans to spend another $A25m. in the current year.

The directors said sales and control of working capital were better than anticipated. Sales rose 17.7 per cent. to $A148m.

Reflecting the group's improved cash position during the year the profit included interest received of $A1.4m. compared with $A241,000 in 1974-75.

Dividend is lifted from 13 cents to 14 cents a share on capital increased in July by a one-for-four scrip issue.

As a "part way measure" of introducing inflation accounting the profit was after charging additional depreciation amounting to $A1.96m., arising from revaluation of assets, for which there was no tax relief. The result was also after charging abnormal provisions totalling $A2.12m. against earnings.

The result was after a lift in tax provision from $A5.76m. to $A9.20m. Earnings per share increased from 18.3 cents to 23 cents.

Major theft at LHL Eng.

BY RICHARD ROLFE

JOHANNESBURG, Dec. 2.

ONE OF the most bizarre annual reports to appear in Johannesburg in recent years has just been circulated by the small road transport equipment manufacturer, LHL Engineering, whose shares are quoted on the stock exchange and in which the conglomerate group Abercom holds a 32 per cent. interest.

The report is for the year ending June 30 and a page headed "events since date of balance sheet and date of this report" discloses to shareholders that during October, 1976, "your directors first discovered that a systematic theft by false pretences had been committed by an employee." In October, the Board discovered the amount involved was R259,000 but by November 17 it records, "the amount of the said defalcations in fact totalled R327,000" (about £228,700).

The remarkable aspect of this fraud, which the Board says has been going on since 1972, is that it adds up to a sum equivalent to 30 per cent. of LHL's pre-tax profits over the period. The bulk of it has been written off against profits

Offer of $760m. for Brascan offshoot

BRASCAN Limited said a group of private Brazilian investors "has expressed an interest in purchasing Brascan's 83 per cent. share interest in Light-Servicos de Eletricidade SA" Brascan's Brazilian electric utility subsidiary, on terms which would result in U.S.$760m. net to Brascan, reports AP-DJ from Toronto.

Brascan said it understands that subject to approval by the Brazilian government the offer by the group of private investors would provide for the payment to Brascan of approximately $560m.—net of Brazilian capital gains tax, over a 10-year period. The company said that over the same period it would also receive net dividend payments aggregating approximately $200m. after deducting Brazilian withholding tax of 25 per cent.

Indian Tobacco equity move

Indian Tobacco, which began functioning in India 66 years ago as Imperial Tobacco, will be the first of many major multinationals to Indianise its equity holdings in accordance with the Foreign Exchange Regulation Act (FERA), reports K. K. Sharma from New Delhi. The company's foreign shareholders—Tobacco Manufacturers (India), Tobacco Investment and Rothmans International—have decided to shed a part of their holdings in order to increase Indian participation in its share capital.

ITC will offer 3.8m. ordinary shares currently held by the foreign shareholders to the Indian public and others for cash from December 14 at R10.50 per share against the face value of R10 and the market price of R12. Of these 1.52m. shares will be reserved for the company's employees.

This represents 20 per cent. of the company's share capital. With 25 per cent. having been sold to Indians in 1954 and another 15 per cent. in 1974. The latest sale will make Indian Tobacco an Indian firm in terms of the provisions of FERA. The Act calls for indianisation of all foreign firms by dilution of their non-resident equity holdings to 40 per cent. in most cases within a prescribed period. The only exceptions are companies which export most of their production or have "sophisticated technology" which would not otherwise be available in India.

LDCs show Euro-borrowing rise of 26%

BY TONY HAWKINS

LATEST FIGURES for publicised Euro-currency bank credits compiled by Morgan Guaranty Trust Company show that medium-term rollover credits totalled $26.3bn. in the 11 months to November—this is 25 per cent. more than last year's annual total of $21bn.

Over the year as a whole, Euro-currency lending is unlikely to be materially different from the record figure of $29.3bn. recorded in 1974. On the Morgan figures, the main borrowers so far this year have been the less developed countries with just over $14bn. This is already well ahead—by a margin of 26 per cent.—of last year's annual total of $11.2bn., which was itself a record for the

Brazil has been the largest single borrower in this group with loans of more than $3bn. Eurocredits to industrial countries increased nearly 39 per cent. to $10bn. in the 11-month period with Spain as the largest single borrower ($1.8bn.) followed by the U.K. with $1.65bn.

Borrowing by the Communist countries has totalled $2.2bn. so far this year as against $2.6bn. last year. A new $150m. loan to the National Bank of Hungary is currently under syndication. The lead managers, the West German DG Bank said yesterday that the spread for the five-year loan which has an average life of 4½ years is 1¼ per cent. above Libor (London Interbank Offered Rate). This compares with a previous borrowing by Hungary in May this year on a 1¼ per cent. spread and reflects the general market trend towards lower spreads.

A new borrower in the Euro-market is the Government of Liberia which has raised $30m. over seven years on a spread of 2 per cent. Chase Manhattan is lead manager and is understood to have put together a powerful management group of prime banks from a number of major countries, representing a broad geographical spread.

This highly successful placing is seen as a significant development against a background of growing concern amongst bankers about lending to third world countries.

Wells Fargo is lead manager for $70m. seven-year credit for three Ecuador borrowers under guarantee by the Republic of Ecuador on a spread of 1½ per cent.

Hambros Bank is lead manager for a $100m. loan over 6½ years to two companies of the Norwegian Reksten group—Hadrian and Trajan. According to market sources the loan is on a split rate spread of 1¼ per cent. and 1½ per cent. and is guaranteed by the Norwegian Guarantee Institute, which is effectively a state guarantee.

Aumar of Spain (Autopistas del Mare Nostrum) is borrowing $50m. over five years on a 1½ per cent. spread with a guarantee by Banco Central. Lead manager is Manufacturers Hanover with Banco Central as co-manager.

Enusa, also of Spain (Empresa Nacional Del Uranio) is borrowing $46.7m. over six years on a spread of 1½ per cent. The lead manager is the International Nuclear Credit Bank-Bifen.

Japanese borrowing plans

TOKYO, Dec. 2.

JAPANESE foreign bond issues are expected to rise to between $400m. and $458m. equivalent in the first quarter of next year, from about $370m. in the current quarter, informed securities sources said.

The increase, decided by the Ministry of Finance under its quarterly monitoring of overseas issues, was understood to reflect the belief that Japan's balance of payments will perform less well in the first 1977 quarter as the trade surplus is expected to narrow.

They also noted that Japanese corporate borrowers remained anxious to raise funds abroad if possible, rather than on the domestic market where interest rates were considerably higher.

The sources listed 16 bond issues approved for the first quarter, 10 in dollars for a total $270m., four in Swiss francs for Sw.Frs.290m. and two in D-Marks totalling DM90m.

The number of issues is down from 18 in the present quarter, although the borrowing amount is larger, and the sources said the size of some of the issues might be adjusted slightly, reflecting balance-of-payments and domestic capital market considerations.

Reuter

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	104¼	103
Australia 8½pc 1991	99¼	100
Bowater 9½pc 1986	102¾	103¼
Canadian N. Rwy. 8½pc '86	100	100½
Credit National 8½pc 1986	97	97½
Denmark 8½pc 1984	97¾	98¼
ECS 9¼pc 1986	102½	103
EIB 8¾pc 1988	99½	100¼
Erap 9½pc 1983	102¼	103
Esso 8pc 1986 Nov.	103¼	104
Eurofima 8½pc 1983	101¾	102¾
Granges 9½pc 1983	101¾	102¼
I.S.E. Canada 9¼pc 1986	104¼	105
Massey Ferguson 9½pc '91	104¾	105¼
Michelin 9½pc 1988	101½	102
Midland Int. Fin. 8½pc '86	97¾	98¼
Modo 9pc 1988	97¼	98
Nat. Westminster 9pc 1986	99¾	100¼
Newfoundland 9½pc 1988	101	101¾
Norpipe 9¼pc 1988	101¾	102¼
Norsk Hydro 9pc 1991	100¾	101¼
Oslo 9pc 1988	100¾	101¼
Ports Autonomes 8pc 1991	98¼	98¾
Prov. Quebec 9pc 1984	100¼	101
Quebec Hydro 8½pc 1986	97	97¾
Prov. Saskatch. 8½pc 1986	101	101¾
Skandin Enskilda 9pc 1991	99	99¾
Volvo 9½pc 1983	102¾	103¼
NOTES		
Australia 8¼pc 1983	101¾	102
Australia 8¼pc 1986	100½	101½
Dow Chemical 8pc 1986	101¾	102
EEC 8½pc 1982	100½	101
Kockums 8pc 1983	97¾	98¼
Michelin 8¼pc 1983	100½	101
Montreal Urban 8¼pc 1981	99¾	100
Nat. Coal Board 8¼pc 1981	99¼	100¼
New Brunswick Prov. 8¼pc 1983	102	102¾
New Zealand 8¼pc 1986	99¾	100
Nippon Fudosan 8pc 1981	99¾	100
S. of Scot. Elec. 8¼pc '81	97¾	98
FLOATING RATE NOTES		
BFCE 6¼pc min. 1983	99¼	99¾
O.K.B. 6¼pc min. 1982	99¾	100¼
Bk. Tokyo Hldg. 6¼pc min. 1981	100¼	101¼
LTCB of Japan 6¼pc min. 1981	99¼	99¾

D.MARK BONDS	Bid	Offer
Beecham 8pc 1983	101½	102½
EIB 8½pc 1984	98	98¾
Giro Vienna 7½pc 1983	100¾	101½
New Zealand 7½pc 1986	103¼	104
Pemex 8½pc 1983	98¾	99¼

Source: White Weld Securities, London.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	83	85
Ashland 5pc 1988	86¼	88¼
Beatrice Foods 4¼pc 1992	101	103
Beatrice Foods 4½pc 1992	120¾	122¾
Borden 5pc 1992	102	104
Broadway Hale 4½pc 1987	78¾	80¼
Canon Camera 7½pc 1989	174	178
Carnation 4pc 1987	85¼	87¼
Chevron 5pc 1988	113¼	115¼
Dart 4¾pc 1987	83¼	85¼
Eastman Kodak 4½pc 1988	104¼	106¼
Economic Labs. 4½pc 1987	76	78
Fed. Dept. Stores 4¼pc '85	114	116
Firestone 5pc 1988	83	87
Ford 6pc 1986	94¼	96¼
Ford 5pc 1988	85¼	87¼
General Electric 4¼pc 1987	83	85
Gillette 4¼pc 1987	73¼	75¼
Gould 5pc 1987	104	106
Gulf and Western 5pc 1988	89	91
Harris 5pc 1992	94	96
Honeywell 6pc 1986	83	85
ITT 4½pc 1987	76¼	78¼
Komatsu 7½pc 1990	101	102¼
J. Ray McDermott 4¾pc '87	139	141
Mitsubishi Elec. 7½pc 1991	102¼	104
Mitsui 7¼pc 1990	101¼	103
J. P. Morgan 4¼pc 1987	107¼	109¼
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	113	113
J. C. Penney 4¼pc 1987	83¼	85¼
Pioneer 6¼pc 1989	273	—
Raymond 8½pc 1983	102¼	103¼
Revlon 4¼pc 1987	109	111
Reynolds Metals 5pc 1988	85	87
Sperry Rand 4¼pc 1987	94¼	96¼
Squibb 4¼pc 1987	75	77
Texaco 4¼pc 1988	76	78
Toshiba 6¼pc 1990	103	104¼
Union Carbide 4¼pc 1982	102¼	104¼
Warner Lambert 4¼pc 1987	79¼	81¼
Warner Lambert 4¼pc 1988	76	78
Xerox 5pc 1988	79	81

Source: Kidder, Peabody Securities.

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No upturn seen by Kloeckner for 1975/76

BY NICHOLAS COLCHESTER BONN, Dec. 2.

OECKNER-WERKE, the West rman steel and manufacturing npany, did not achieve the turn expected by its manage- nt in the business year that ded on September 30, 1976.

The group's overall turnover opped by 1 per cent. to £3.35bn. as a result of the con- uing troubled times in the el market. The steel side of company's business ended th another loss and although is was offset by greater profit the manufacturing side, oeckner closed with an overall erating loss much the same as e DM60m. registered in 1974-75.

In its preliminary report on e business year, the manage- ent explains that the year arted at the bottom of the orst steel slump in decades. the first three quarters the te of orders picked up en- uragingly—though primarily om European customers, with erall demand remaining low. the last quarter (to Septem- r 30) the growth petered out d Kloeckner's orders were ly a little higher than in the uivalent quarter 12 months rlier. The price competition from steel imports was tougher, too.

Kloeckner's steel sales were accordingly low in the first half and notably improved in the second with the net outcome being that the company's steel sales for the whole year re- mained below those of the pre- vious year. The total turnover in the steel area was down 4.5 per cent. to DM1.99bn. of which 34 per cent. went abroad.

The compensation for this came in the manufacturing area where those sectors like elec- tricity generation, plastic manu- facturing, and packaging, that have nothing to do with steel did particularly well.

Turnover in Kloeckner's in- terests outside steel production grew by 4.5 per cent. to DM1.36bn. Here, the export share was slightly up at 24 per cent.

Kloeckner's production of rolled steel climbed from quar- ter to quarter but had to be throttled back at the close of the year to adapt to the hiatus in steel demand. Over the whole business year the group pro- duced 3m. tons of rolled steel, or about 2 per cent. more than in the previous business year.

Dresdner reports

BY GUY HAWTIN FRANKFURT, Dec. 2.

RESDNER BANK shareholders ok as though they will be eceiving an unchanged 20 per ent. dividend for 1976. Although e bank's chief executive, Herr uergen Ponto, would make no rm forecasts, a review of the ank's performance during the rst 10 months indicates that it ill again be paying DM10 per M50 nominal share.

Dresdner, West Germany's econd largest commercial bank, aw its balance sheet total grow 6.5 per cent. from December 1 last year until the end of ovember. It went up from M48.55bn. to DM51.73bn. (just nder £13bn.). Business volume the same period increased by .1 per cent. from DM48.61bn. DM52.54bn. (£13.2bn.).

Credit volume in the period under review rose by DM4.3—or 12 per cent.—from DM35.35bn. to DM39.61bn., with the strongest growth being registered in the latter months. Earnings from interest charges were 5 per cent. upon the 10 month average per- formance in 1975, despite a nar- rowing of interest margins. It rose from DM1.03bn. to just under DM1.09bn.

Commission earnings showed a thin 0.9 per cent. increase, ris- ing from DM33.8m. to DM336.7m. Profits from trading in shares and bonds registered a positive improvement but earnings from foreign exchange and gold trad- ing were somewhat down on the previous year's performance.

Funding South Africa

BY GRAHAM HATTON JOHANNESBURG, Dec. 2.

THE RECENT admission by Mr. Bob Aldworth, Barclays National Bank's managing director, that he had failed in a bid to raise two small dollar loans for South Africa underlines the chief stumbling block to economic re- covery in the republic. Without foreign funds, and plenty of them, officials agree there is little hope of returning to the growth rates of the sixties.

Dr. Gerhard de Kock, the re- serve bank's senior deputy gov- ernor, figures the medium-term implication of a shortage of foreign capital will be that the country will have to get used to an average current deficit on its balance of payments of only one *to two per cent. of GDP instead* of three per cent. as in the past, and that this will mean a lower rate of economic growth.

Foreign borrowing

For the present financial year, which started on April 1, the Exchequer's foreign borrowing position is as follows, according to the latest published figures. In the seven months to the end of October, foreign loans and credits raised totalled R110m., against redemptions of R154m., representing a net outflow of R44m.

However, after the end of October the Treasury finalised a *$110m. (R96m.)* five-year syndi- cated Eurodollar loan at a spread of 1¾ per cent. over London Interbank Offered Rate. The funds were supplied by five banks, Citibank, Morgan *Guaranty, First Chicago* and Deutsche Bank (each chipping in $25m.) and Credit Suisse White Weld, which supplied $10m. That brought the Trea- sury's total net borrowing this fiscal year to R140m.

In addition it had, by the end of October, drawn subscription credits of R131m. from the Inter- national Monetary Fund, while in November the Government announced it had successfully applied for a R160m. five-year loan from the Fund under its compensatory financing scheme.

Total net borrowing by the Treasury, as far as can be judged from disclosed figures, thus comes to R431m. ($496m.) so far this fiscal year. Further sche- duled redemptions will erode this figure before the end of the fiscal year, but there is little doubt that Mr. Owen Horwood, Finance Minister, will comfort- ably meet his budget target for net foreign loans of R120m. in the financial year 1976-77.

Mr. Horwood believes "it is only realistic to accept that the restoration of full confidence in South Africa amongst foreign investors will take a little time and that the inflow of foreign capital is likely to remain for a few months at a level below the average of the past few years."

He adds that "it is clearly desirable that we should build up our reserves again to a more satisfactory level, and this may not be possible until a more sub- stantial capital inflow is re- sumed." Clearly, then, the need for more foreign funds is recog- nised in official circles.

Stand-by credit

Meanwhile, some of the larger non-Government foreign borrow- ers have been surprisingly suc- cessful in their attempts to raise money abroad. Without forward cover, which the Government only grants to corporate borrow- ers *importing capital equipment*, most companies have preferred not even to test the overseas capital markets. Nonetheless, there have been some remark- able successes.

Rand Mines raised $15m. for six years to finance TCL's coal project at Rietspruit, the money coming from a consortium of U.S. banks led by Morgan Guaranty. A company spokes- man said the cost (a floating rate over LIBOR) was "well within the market situation." And Macdem (owned by U.K. companies Delta Metal and McKechnie Brothers) raised $7m. in London for five years "at a favourable spread over LIBOR."

Bankers report that Anglo American Corporation negotiated a $100m. medium-term stand-by credit in September at 1¼ per cent. over LIBOR (the South African Government has to pay 1¾ per cent.), and South African Breweries recently took advan- tage of favourable market con- ditions and arranged a $30m. stand-by credit for three years at 1.875 per cent. over LIBOR. *The funds came from a group* dominated by major U.S. banks, negotiated through the London merchant bank, Barings.

A new SA borrower has just tapped the Euro-markets. SOF (Pty), which was established to administer the petroleum levies introduced for SASOL II financ- ing, has just negotiated a DM71m. (R25m.) medium-term loan. This is the first ever loan SOF has concluded and forms part of a limited programme for bridging finance arranged by the Strategic Oil Fund.

The loan is specifically ear- marked for funding part of the local content of a turnkey steam plant being built for Sasol II. The whole contract, which has been awarded to Deutsche Bab- cok (represented locally by DB Thermal), is for R120m. and in- volves a sizeable import content, which will be financed with ex- port credits.

It is reported that the SA Government guaranteed loan is at a fixed rate of 9.75 per cent. for the first two years. There- after, terms will be negotiated. The consortium of banks is led by Dresdner Bank, which, together with Commerzbank and Westdeutsche *Landesbank*, is contributing DM15m. Deutsche Bank is participating with DM10m. while the rest of the money comes from a number of smaller German banks. SASOL also indicates that it is finalising a number of export credit contracts in various countries.

So it seems that it is by no means impossible for South African borrowers to raise funds overseas. Some banks are still willing to lend. However, as Mr. Aldworth said recently, over- seas investors have little confi- dence in South Africa and this is unlikely to alter without some fundamental changes in the political situation.

Turning to the country's balance of payments, Mr. Ald- worth said: "If we look at our *external finances*, then we find that we are virtually bankrupt. Our short-term foreign liabilities far exceed our short-term foreign assets. If we should be called upon to-day to repay all our short-term foreign loans, we would be quite unable to do so.

Foreign exchange

"Our foreign exchange re- serves are quite inadequate to meet the short-term loans which the reserve bank and the banks in the private sector have had to take up plus the monthly adverse balance between our im- *ports of goods and services* (which include considerable amounts for oil and arms in particular) and our exports of goods and services, even includ- ing our foreign exchange receipts from gold.

"The current year and next year will almost certainly witness a further drop in living stan- dards in this country, by per- haps as much as 10 per cent. to 12 per cent. In other words, our domestic economy is currently experiencing the worst recession since the 1930s."

Clearly, then, the economy, the *balance of payments, and the* foreign borrowing position are by no means out of the woods.

EUROBONDS

IU Finance at par

BY TONY HAWKINS

THE IU Overseas Finance $30m. 7-year Eurobonds were priced yesterday at par with a coupon of 9 per cent. as indicated. The lead managers were S. G. War- burg and the issue is understood to have been well subscribed.

The $C20m. issue of 5-year notes by British Columbia Central Credit Union was priced at 99½ with a 9¾ per cent. coupon, but opened at a substan- tial discount in secondary market trading. The notes were trading yesterday around the 97 level.

Details have been announced of the Nippon Meat Packers equity issue of 7½m. shares which were priced earlier this week at $2.46 a share. At an exchange rate of Y294.715 to the dollar, this represents a dis- count of 5.84 per cent. on the closing Tokyo Stock Exchange price for November 30. The issue raised almost $18½m.

Lead managers for the issue were J. Henry Schroder Wagg and Yamaichi International (Europe). In the Deutschemark sector, the DM60m. Council of Europe 7 per cent. bond issue was priced yesterday at 99½. Lead manager was Berliner Handels Und Frankfurt Bank.

Lead managers for the success- ful Dow Chemical $120m. issue over 10 years (bullet) at 8 per cent. are European Banking Co. and Deutsche Bank. The co- managers are UBS, Swiss Bank Corp. and Amro.

A feature of yesterday's trading in the secondary market was the weakness of Spanish issues. The recent Renfe issue fell to the 96½ level reflecting the fact that the issue had attracted a significant number of loss holders, while the floaters, such as Banco Popular and Vizcaya were also lower.

Once again Mexican and *Quebec issues were marked* lower in the dollar sector of the market

BONDTRADE INDEX

	Thursday	Wednesday
Medium	101.73	101.70
Long	93.45	93.44
Convertible	105.06	104.97

AMERICAN COMPANIES

New Mobil bid for Irvine

IRVINE, CALIFORNIA, Dec. 2.

MOBIL CORP. made two new higher offers for Irvine Co., topping a bid by Cadillac Fair- view Corp., of Toronto, reports Reuter.

The new all-cash offer by Mobil was $277.7m. or $33 a share, replacing the previous $273.5m. or $32.50 a share.

As an alternative, Mobil also offered $164m. in cash and $120m. in ten-year notes, which is almost identical to the Cadillac Fairview offer sub- mitted last week.

A Mobil spokesman contended that his company's combination cash-notes offer is superior to Cadillac Fairview's because the Mobil notes would be secured by Mobil itself and are readily marketable.

The Cadillac notes offered, on the other hand, would be backed only by Irvine Co. Real Estate.

Also in the bidding for Irvine is Allen-Taubman of Detroit whose latest proposal has an indicated value of $292.5m.

Trustees of the James Irvine Foundation, majority owner of Irvine Co., will meet on Friday in San Francisco to decide on the new Mobil bid.

The notes now offered by Mobil carry an interest rate of 6½ per cent. and are payable in 10 years. They are backed by the assets of Mobil which has a shareholders equity of $6.8bn. and annual net income of $800.9m.

Cadillac Fairview and Allen- Taubman have until Friday to submit new offers.

Store sales rise

F. W. WOOLWORTH said con- solidated sales for the four weeks ended November 23 totalled $428.1m., an increase of 10.7 per cent. over sales of $386.6m. a year ago, reports AP-DJ from New York.

For the 43 weeks ended November 23, sales were $3.9bn., an increase of 11.6 per cent. over the comparable period. These are records for both periods.

● J. C. PENNEY Company announced an 8.3 per cent. in- crease in November sales, reports AP-DJ. Volume for the four weeks ended November 27 rose to a record $784m. from $724m. for the same 1975 period, according to chairman Donald V. Seibert and president Walter J. Neppl.

Fiat shares rise as Libyan deal prompts concern elsewhere

BY ANTHONY ROBINSON ROME, Dec. 2.

FIAT SHARES rose sharply on the Milan bourse to-day after yesterday's announcement of a $415m. injection of capital by the Libyan Arab Foreign Bank and the L6,000 valuation put on the new shares to be purchased by the Libyans.

In accordance with the bourse regulations, the initial call was adjourned as early bids were more than 20 per cent. above yes- terday's official closing price of *L1,695. The Ordinary shares rose* to a high point of L2,110 in mid- session before profit-taking brought the official close down to L2,020. The privileged shares, which closed at L1,019 on Wed- nesday, opened at L1,200, moved up to L1,280, and then fell back again to close on L1,201.

Political reaction was mixed. The Government was only in- formed once the negotiations had been agreed and the fact that a major international deal with potentially important implica- tions for both foreign and eco- nomic policy could have been decided without prior consult- ation has caused a certain con- sternation.

Italy's relations with Libya have not always been easy in the past and banking, political and trade union sources ex- pressed concern about the pos- sibility that the Libyans might *now be in a better position to* put pressure on the Italian Government in future.

Sig. Giovanni Agnelli, Fiat chairman, who spent the day see- ing leaders of all the political parties to explain the deal, him- self denied this possibility insist- ing that the Libyans were mak- ing a purely financial invest- ment in Fiat of a size, which although large, did not affect control over the company in any way. The Libyan stake will reach a maximum of 13 per cent. (against 29 per cent. by the Agnelli family holding company IFI) even if the Libyans fully convert their 90 convertible bonds into Fiat shares as ex- pected. The bonds are conver- tible into Fiat shares after 1978 on the basis of two Ordinary and one Preference share for every 18 nominal Lire1,000 bonds.

Both the unions and the Com- munist party have reacted cautiously to the unexpected *news. Sig. Bruno Terentin,* engineering workers leader, said there was no point in being scan- dalised about the fact that a country like Libya should de- cide to invest in Fiat. He was worried about the possible politi- cal leverage which Libya might be tempted to obtain in future but from a trade union point of view the main interest was to see just how Fiat intended to invest the new cash, par- ticularly whether in Italy or abroad. The unions are due to start negotiations on a new Fiat plant labour contract shortly and the increased availability of capital for investment is bound to be reflected in an even more determined union push for higher investment.

Sig. Luciano Barca, the Com- munist party's chief economic spokesman, declared in the party newspaper L'Unita that the PCI *"had never put forward objec-* tions in principle to the inflow of foreign capital and indeed encouraged such inflows in order to ease balance of payments restraints on the economy." But he added that it was absurd that such operations could take place without reference to Parliament, adding that the agreement underlined once again the absence of an Italian industrial policy or a planning mechanism within which to evaluate the choices made by private capital.

Chemi returns to normal

BY PAUL LENDVAI VIENNA, Dec. 2.

CHEMI LINZ, leading Austrian chemical company, has entered a period of "normalisation" after the unusual boom year of 1974. *This was one of the main points* stressed by the Director-Gen., Mr. Hans Buchner, in a survey about business during 1975-76.

Fuelled by the oil price boom, company turnover in 1974 jumped by 71 per cent. but regis- tered a slight fall to Sch.7.53bn. *(about £200m.) last year.* The Director-Gen. expects for the current year a turnover of Sch. 7.3bn. falling just short of the original target of Sch.7.3bn. to Sch.7.5bn. set for 1976.

A similar return to more "normal proportions" is also characteristic for the perform- ance of exports, according to *Mr. Buchner. While foreign sales* in the super-boom year of 1974 accounted for 70 per cent. of the turnover, the proportion of exports fell to 63 per cent. last year and is likely to go down to 55 per cent. this year.

But in the past, the export stake used to reach only about 45 per cent. of the sales total.

The situation in production varied very much from sector to sector this year.

German-Swiss watch link-up

By John Wicks ZURICH, Dec. 2.

FOR THE joint purchase of com- ponents for production of elec- tronic watch and precision-instru- ment modules, a group of German and Swiss companies have set up Electronic Precision Industries Co-operative (EPIC) in Zurich. The partner com- panies include the German undertakings Diehl KG (Nurem- berg) and Gebrueder Junghans GmbH (Schramberg) and the Swiss groups Mondaine Watch and Nepro Watch.

The member companies of EPIC intend to produce a total of some 3m. quartz wristwatches next year, it is stated.

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, December 1. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of December 2 at 11.00 a.m.
3 months 5.15 6 months 5.38

SDR1=US$1.14865

Country	Currency	Value of DLR
Afars & Issas	Djibouti Franc	165.2046
Afghanistan	Afghani (o)	45.30
Albania	Lek (m)	6.07
Algeria	Dinar (a)	4.1302
Andorra	Fr. Franc	4.9860
	Sp. Peseta	69.325
Angola	Ang. Escudo	31.55
Antigua	E. Caribbean $	2.70
Argentina	Ar. Peso	261.50
Australia	Australia $	0.9990
Austria	Schilling	[illegible]
Azores	Port. Escudo	[illegible]
Bahamas	Ba. $	[illegible]
Bangladesh	Taka	[illegible]
Bahrain	Dinar	[illegible]
Balearic Is.	Sp. Peseta	[illegible]
Barbados	Barbados $	[illegible]
Belgium	B. Franc (m)	[illegible]
Belize	B $	[illegible]
Benin	C.F.A. Franc	[illegible]
Bermuda	Bda. $	1.00
Bhutan	Indian Rupee	[illegible]
Bolivia	Bolivian Peso	[illegible]
Botswana	Pula	[illegible]
Brazil	Cruzeiro	[illegible]
Br. Virgin Is.	U.S. $	[illegible]
Brunei	Brunei $	[illegible]
Bulgaria	Lev	[illegible]
Burma	Kyat	[illegible]
Burundi	Burundi Franc	[illegible]
Cameroon Rp.	C.F.A. Franc	249.90
Canada	Canadian $	[illegible]
Canary Is.	Sp. Peseta	[illegible]
Cape Verde Is.	Cape V. Escudo	[illegible]
Cayman Is.	[illegible]	[illegible]
Cen. Af. Rp.	C.F.A. Franc	[illegible]
Chad	C.F.A. Franc	[illegible]
Chile	Ch. Peso (m)	[illegible]
China	Renminbi Yuan	[illegible]
Colombia	Col. Peso	[illegible]
Comoro Is.	C.F.A. Franc	[illegible]
Congo (Brazzaville)	C.F.A. Franc	[illegible]
Costa Rica	Colon	[illegible]
Cuba	Cuban Peso	[illegible]
Cyprus	Cyprus £	[illegible]
Czechoslovakia	Koruna (m)	[illegible]
Denmark	Danish Krone	[illegible]
Dominica	E. Caribbean $	[illegible]
Domin. Rep.	Domin. Peso	[illegible]
Ecuador	Sucre	[illegible]
Egypt	Egyptian £	[illegible]
Ethiopia	Ethiopian $	[illegible]
Eq'l Guinea	Peseta	[illegible]
Falkland Is.	Falkland Is. £*	[illegible]
Faro Is.	Danish Krone	[illegible]
Fiji Is.	Fiji $	[illegible]
Finland	Markka	[illegible]
France	French Franc	[illegible]
Fr. C'Ty. Af.	C.F.A. Franc	[illegible]
Fr. Guiana	Local Franc	[illegible]
Fr. Pac. Is.	C.F.P. Franc	[illegible]
Gabon	C.F.A. Franc	[illegible]
Gambia	Dalasi	[illegible]
Germany (E)	Ostmark (m) (o)	[illegible]
Germany (W)	Deutsche Mark	[illegible]
Ghana	Cedi	[illegible]
Gibraltar	Gibraltar £*	[illegible]
Gilbert Is.	Aust. $	[illegible]
Greece	Drachma	[illegible]
Greenland	Danish Krone	[illegible]
Grenada	E. Caribbean $	[illegible]
Guadaloupe	Local Franc	[illegible]

Country	Currency	Value of DLR
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Syli	[illegible]
Guinea Bissau	Peso	31.55
Guyana	Guyanese $	2.5253
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	4.7775
Hungary	Forint (m)	20.63
Iceland	I. Krona	[illegible]
India	Ind. Rupee	[illegible]
Indonesia	Rupiah	[illegible]
Iran	Rial	[illegible]
Iraq	Iraq Dinar	[illegible]
Irish Rep.	Irish £*	[illegible]
Israel	Israel £	[illegible]
Italy	Lira	[illegible]
Ivory Coast	C.F.A. Franc	[illegible]
Jamaica	Jamaica $	[illegible]
Japan	Yen	[illegible]
Jordan	Jdn. Dinar	[illegible]
Kampuchea	Riel	[illegible]
Kenya	Ken. Shilling	[illegible]
Korea (Nth.)	Won	[illegible]
Korea (Sth.)	Won	[illegible]
Kuwait	Kuwait Dinar	[illegible]
Laos	Kip Pot Pol (o)	[illegible]
Lebanon	Lebanese £	[illegible]
Lesotho	S. African Rand	[illegible]
Liberia	Liberian $	[illegible]
Libya	Libyan Dinar	[illegible]
Liechtenstein	Swiss Franc	[illegible]
Luxembourg	Lux. Franc (m)	[illegible]
Macao	Pataca	[illegible]
Madeira	Port. Escudo	[illegible]
Malagasy	MG Franc	[illegible]
Malawi	Kwacha	[illegible]
Malaysia	Ringgit	[illegible]
Maldive Is.	Mal. Rupee	[illegible]
Mali Rp.	Mali Franc	[illegible]
Malta	Maltese £	[illegible]
Martinique	Local Franc	[illegible]
Mauritania	Ouguiya	[illegible]
Mauritius	M. Rupee	[illegible]
Mexico	Mexican Peso	[illegible]
Miquelon	C.F.A. Franc	[illegible]
Monaco	French Franc	[illegible]
Mongolia	Tugrik	[illegible]
Montserrat	E. Caribbean $	[illegible]
Morocco	Dirham	[illegible]
Mozambique	Moz. Escudo	[illegible]
Nauru Is.	Aust. $	[illegible]
Nepal	Nepalese Rupee	[illegible]
Netherlands	Guilder	[illegible]
Neth. Ant'les	Antillian Guild	[illegible]
New Hebrides	Aust. $	[illegible]
	Fr. Franc	[illegible]
N. Zealand	N.Z. $	[illegible]
Nicaragua	Cordoba	[illegible]
Niger Rp.	C.F.A. Franc	[illegible]
Nigeria	Naira	[illegible]
Norway	Norw. Krone	[illegible]
Oman, Sultanate of	Rial Omani	[illegible]
Pakistan	Pkst. Rupee	[illegible]
Panama	Balboa	[illegible]
Papua N. G.	Kina	[illegible]
Paraguay	Guarani (m)	[illegible]
People's D. Rp. of Yemen	S. Yemen Dinar	[illegible]

Country	Currency	Value of DLR
Peru	Sol	67.73
Philippines	Ph. Peso	[illegible]
Pitcairn Is.	NZ $	[illegible]
Poland	Zloty (m) (o)	19.92
Portugal	Port. Escudo	31.55
Port Timor	Timor Escudo	31.55
Principe Isle	Port. Escudo	31.55
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	[illegible]
Reunion Ile de la	French Franc	[illegible]
Rhodesia	Rhodesian $	[illegible]
Romania	Leu	[illegible]
Rwanda	Rwanda Franc	[illegible]
St. Christopher	E. Caribbean $	[illegible]
St. Helena	St. Helena £*	[illegible]
St. Lucia	E. Caribbean $	[illegible]
St. Pierre	C.F.A. Franc	[illegible]
St. Vincent	E. Caribbean $	[illegible]
Salvador El	Colon	[illegible]
Samoa (Am.)	U.S. $	[illegible]
San Marino	Italian Lira	[illegible]
Sao Tome	Port. Escudo	[illegible]
Saudi Arabia	Riyal	[illegible]
Senegal	C.F.A. Franc	[illegible]
Seychelles	S. Rupee	[illegible]
Sierra Leone	Leone	[illegible]
Singapore	Singapore $	[illegible]
Solomon Is.	Australian $	[illegible]
Somali Rep.	Som. Shilling	[illegible]
South Africa	Rand	[illegible]
S.W. Africa	S.A. Rand	[illegible]
Spain	Peseta	[illegible]
Spanish Ports in N. Africa	Sp. Peseta	[illegible]
Sri Lanka	S. Rupee	[illegible]
Sudan Rp.	Sudan £	[illegible]
Surinam	S. Guilder	[illegible]
Swaziland	Emalangeni	[illegible]
Sweden	S. Krona	[illegible]
Switzerland	Swiss Franc	[illegible]
Syria	Syria £	[illegible]
Taiwan	New Taiwan $	[illegible]
Tanzania	Tan. Shilling	[illegible]
Thailand	Baht	[illegible]
Togo Rep.	C.F.A. Franc	[illegible]
Tonga Is.	Pa'anga	[illegible]
Trinidad	Trin. & Tob. $	[illegible]
Tunisia	Tunisian Dinar	[illegible]
Turkey	Turkish Lira	[illegible]
Turks & C's	U.S. $	[illegible]
Tuvalu	Australian $	[illegible]
Uganda	Ug. Shilling	[illegible]
Utd. Kingdom	£ Sterling*	[illegible]
Utd. A'b Emir	UAE Dirham	[illegible]
USSR	Rouble	[illegible]
Upper Volta	C.F.A. Franc	[illegible]
Uruguay	Urug. Peso (m)	[illegible]
Vatican	Italian Lira	[illegible]
Venezuela	Bolivar (m)	[illegible]
Vietnam (N)	Dong (m) (o)	[illegible]
Vietnam (S)	Piastre (o)	[illegible]
Virgin Is. US	U.S. $	[illegible]
Western Samoa	Samoan Tala	[illegible]
Yemen	Ryal	[illegible]
Yugoslavia	New Y. Dinar	[illegible]
Zaire Rp.	Zaire	[illegible]
Zambia	Kwacha	[illegible]

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. * U.S. dollars per sterling unit. (a) Approximate rate. (o) Official rate.

For further information please contact your local branch of the Bank of America.

COMPANY NOTICES

REFINERIA DE PETROLEOS DEL NORTE S.A. PETRONOR

Loan 8½%—1971/1986

US$15,000,000

Bondholders are hereby informed that the amortization of US $ 400,000 nominal redeemable on 30th December 1976, has been fully carried out by repurchase on the market.

Bondholders are also reminded that the following bonds previously drawn by lot for preceeding amortization, have not yet been presented for repayment:

30.12.1973: No. 9134 and 9155.

The redemption of these bonds, as well as the payment of coupons due on 30th December 1976 will take place at the following banks:

CREDIT LYONNAIS, Luxembourg
CREDIT LYONNAIS, Paris
CREDIT LYONNAIS, New York
CREDIT LYONNAIS, Bruxelles
CREDIT COMMERCIAL DE FRANCE, Paris
KREDIETBANK S.A. LUXEMBOURGEOISE, Luxembourg
KREDIETBANK N.V., Bruxelles
COMMERZBANK AG, Frankfurt
BANCO DI ROMA, Rome
AMSTERDAM-ROTTERDAM BANK NV, Amsterdam
BANCO DE BILBAO, Bilbao
BANCO DE VIZCAYA, Bilbao

Amount remaining in circulation after this fifth redemption:

US $ 13,000,000.

The Fiscal Agent

CREDIT LYONNAIS—LUXEMBOURG

SENTRUST LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that an interim dividend, No. 21 of 10 cents per share has been declared payable to ordinary shareholders registered in the books of the company at the close of business on 17th December, 1976.

No instructions involving a change of the office of payment will be accepted after 17th December, 1976.

The REGISTER of members of the company will be CLOSED from 18th December 1976 to 31st December, 1976, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 7th February, 1977 or on the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders' tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payment will be made by the transfer secretaries mentioned below, on or about 17th February, 1977.

The full conditions of payment may be inspected at or obtained from the head office or the offices of the transfer secretaries of the company.

By Order of the Board
GENERAL MINING AND FINANCE CORPORATION LIMITED.
London Secretaries,
per: V. G. W. DAYNES.

London Office
Princes House,
95, Gresham Street, EC2V 7EN.
Transfer Secretaries
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street, Ashford,
Kent. TN24 8EQ.

2nd December, 1976.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 95 ON THE 6 PER CENT CUMULATIVE PREFERRED STOCK

NOTICE IS HEREBY GIVEN that dividend No. 95 of 3 per cent for the half-year ending 31st December 1976, equivalent to three cents per stock unit, being at the rate of 6 per cent per annum, has been declared payable to stockholders [illegible]

By Order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
J. C. GREENSMITH

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

7% UNSECURED NOTES 1975/84

PAYMENT OF INTEREST

[illegible]

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

GOLD MINING COMPANIES DIVIDENDS

[illegible]

By Order of the Board,
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.
per: R. B. APPLETON.

APPOINTMENTS

English Industrial Estates Corporation

ADMINISTRATION DIRECTOR

• THE CORPORATION is charged by the Department of Industry with planning and executing extensive programmes of factory building throughout England. It has established a reputation for efficiency and flexibility in its dealings with industry and intends now to strengthen further its Management Board by appointing an experienced executive to take charge of administration and to act as Corporation Secretary.

• RESPONSIBILITY will be to the Chief Executive for co-ordinating and directing all secretarial, legal and personnel functions.

• PRIME requirements are proven administrative skills and a sound knowledge of commercial law, ideally with some experience of property transactions. Career progression is likely to have stemmed from a legal or secretarial qualification backed by a successful record of achievement in industry, commerce or the public sector.

• PROBABLE starting salary will be in the range £8,000 to £9,000 with attractive superannuation benefits. Location is the head office at Team Valley in Tyne and Wear.

Write in complete confidence to P. Craigie as adviser to the Corporation.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DX

COMPANY NOTICES

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON NO. 75

[illegible]

ANGLO AMERICAN INVESTMENT TRUST LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 44 ON THE 6 PER CENT. CUMULATIVE PREFERENCE SHARES

Notice is hereby given that dividend No. 44 of 3 per cent. for the six months ending 31st December 1976, being at [illegible]

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
London Secretaries
J. C. Greensmith.

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent TN24 8EQ.
London Office:
40, Holborn Viaduct,
EC1P 1AJ.
2nd December, 1976.

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 57 ON THE 6 PER CENT. CUMULATIVE PREFERENCE STOCK

Notice is hereby given that dividend No. 57 of 3 per cent. for the half-year ending 31st December 1976, being at [illegible]

... The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
London Secretaries,
J. C. Greensmith.

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ.
London Office:
40, Holborn Viaduct,
EC1P 1AJ.
2nd December, 1976.

FRENCH KIER HOLDINGS LIMITED

[illegible]

ECUADOR 4% GOLD CONDORES

NOTICE IS HEREBY GIVEN that at a Drawing on the 25th November, 1976 at Williams & Glyn's Bank Limited, 67, Lombard Street, London, E.C.3, the following Ecuador 4% Gold Condores were drawn for repayment at par on the 2nd January, 1977.

9 BONDS OF £100 EACH = £900.00

3 205 218 256 268 474 603 604 606

Bonds with coupon No. 47 due 2.1.77 and subsequent attached should be presented for payment at Williams & Glyn's Bank Limited, 5-10, Great Tower Street, London, EC3R 5DH, and left three clear days for examination.

Patrick F. J. Freeman,
Notary Public of the Firm of:—
JOHN NEWTON & SONS,
27, Clements Lane, London, E.C.4.
WILLIAMS & GLYN'S BANK LIMITED,
5-10, Great Tower Street,
London, E.C.3.
25th November, 1976.

PARLIAMENTARY NOTICES

IN PARLIAMENT

SESSION 1976-77

IMMEDIATE TRANSPORTATION (DELIVERY WARRANTS)

NOTICE IS HEREBY GIVEN that application is being made to Parliament in the present session by Immediate Transportation Company Limited (hereinafter referred to as "the Company") for leave to introduce a Bill (hereinafter referred to as "the Bill") under the above name or short title for purposes of which the following is a concise summary.

1. To enable the Company and its subsidiaries to issue transferable certificates or warrants for the delivery of goods deposited in their warehouses or other premises.
2. To provide that such certificates or warrants shall be documents of title to the goods specified therein.
3. To enact provisions in furtherance or or consequential upon the foregoing including provision with respect to the application of the Bill to Scotland and Northern Ireland.

On and after the 3rd December 1976 a copy of the Bill may be inspected and copies obtained at a price of 10p for each copy at the offices of the Company at 23b St. Thomas Street, London SE1 9SB, at the offices of Messrs. Shepherd & Wedderburn at 16 Charlotte Square, Edinburgh, at the offices of Messrs. C. [illegible]

SHARPE, PRITCHARD & CO.,
Parliamentary Agents.

IN PARLIAMENT

SESSION 1976-77

AUSTRALIA AND NEW ZEALAND BANKING GROUP

[illegible]

SHARPE, PRITCHARD & CO.,
Parliamentary Agents.

LEGAL NOTICES

THE COMPANIES ACT, 1948

In the High Court of Justice. No. 002833 of 1976.

In the Matter of PRIORYCRAFT LIMITED

Nature of Business: Ship, yacht, tug, barge and boat builders.

Winding-up Order made: Monday, 18 October, 1976.

Date and place of first meetings: Creditors 10 December 1976, at 11.30 a.m. at the Official Receiver's Office, Davey House, Castle Meadow, Norwich, Norfolk.

Contributories 10 December, 1976, at 12 o'clock noon at the Official Receiver's Office, Davey House, Castle Meadow, Norwich, Norfolk.

Dated this 2nd day of December, 1976.

T. A. TUCK,
Official Receiver and Provisional Liquidator.
Davey House, Castle Meadow,
Norwich NR1 3DD.

No. 003958 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HAYNESWOOD PRESS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 29th day of November 1976, presented to the said Court by THE DEPARTMENT OF HEALTH AND SOCIAL SECURITY of State House, High Holborn, London W.C.1. And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

[illegible]

PUBLIC NOTICES

CITY OF NORWICH

[illegible]

FINANCIAL TIMES SURVEY OF COMPANY PROFITS

Heavy industry shows notable improvement

BY TERRY WILKINSON, CITY STAFF

TRADING PROFITS of 465 industrial companies covered in the latest Financial Times survey of company profits have improved, compared with the previous survey two months ago, to show a year-on-year gain of 10.4 per cent. against a rise of 4 per cent. last time.

The latest survey covers the profits and balance sheets of companies with account years ending in the period between January 15, 1976, and April 14, 1976, which published their reports up to the end of October. As well as the 465 industrial companies, there are 134 in the financial sector, two in oil and 19 in commodities.

Net capital employed in the industrial companies surveyed rose from £14.1m. to £15.6m., while the net return on that capital slipped from 17.4 per cent. to 17.0 per cent.

In general, there was a strengthening in profits performance in almost all sectors compared with two months ago. Particularly notable is the marked improvement in results from the heavier end of industry.

Trading profits in the 166 companies in the capital goods sector showed a gain of 18.7 per cent., compared with 4.3 per cent. in the October analysis.

Miscellaneous goods saw a rise of 54.3 per cent. while there was a particularly strong performance from the contracting and construction sector, which was up 46.8 per cent.

In both cases this is a considerable improvement on the previous survey when they recorded a gain of 17.1 per cent. and a fall of 16.5 per cent. respectively.

Electricals registered a rise of 13.5 per cent. this time against a drop of 3.7 per cent. two months ago. The advance in engineering profits (71 companies surveyed) more than doubled in percentage terms to 14.6 per cent. Building material companies' profits also increased much more rapidly this time with a rise of 21.6 per cent., compared with 2.3 per cent.

In consumer durables the 47 companies covered saw a profits rise of 15.2 per cent., compared with October's increase of only 5.2 per cent. Household goods continued the strongest performer in this sector, with a gain of 38.3 per cent., although that was only about half the rise shown in the last survey.

The net return on capital employed in this sector increased from 19.4 to 20.5 per cent.

In consumer non-durables, the pace of profits growth slackened, with the 182 companies surveyed seeing a rise of 7.1 per cent., compared with 15.3 per cent. two months ago.

Breweries, up 30.6 per cent. on a year ago, and tobacco, up by a third, were the outstanding performers in this sector. In October, the gains were 44.3 and 29.1 per cent. respectively.

As in the previous survey, these rises were offset by a sluggish performance in textiles, down 27.7 per cent. compared with 23.1 per cent., and paper and packaging, down 12.7 per cent., against 13.4 per cent.

Financial companies' results improved compared with the last survey, with the 134 concerns returning a rise of 28.3 per cent. in profits, against a fall of 8.9 per cent.

Insurance brokers saw a substantial improvement with a 95.7 per cent. gain, continuing the trend seen in past surveys, and there was also a marked turnaround in the sector covering discount houses and merchant banks.

Bank profits rose by 7.1 per cent., but earnings were virtually unchanged.

Oil company profits, in the two concerns covered, continued to flag, with a drop of 26.3 per cent. which more than halved earnings.

Elsewhere, commodity companies have made some recovery, with the 19 companies analysed seeing their trading profits advance by 5.9 per cent., compared with a drop of almost a quarter last time.

● Pre-tax profits published in the 109 full accounts and reports produced by industrial companies last month were just over 37 per cent. on comparable figures a year earlier.

It was the largest year-on-year advance since April last year.

Dividends rose an overall [illegible] per cent., the biggest monthly improvement this year.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 620 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 620 companies whose account year ended in the period between January 15, 1976, and April 14, 1976, which published their reports up to the end of October, 1976. (Figures in £000.)

INDUSTRY	No. of Cos.	Trading Profits (1)	% change	Profits before Int. & Tax (2)	Pre-Tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% change	Ord. Dividends (6)	% change	Cash Flow (7)	Net Capital Employed (8)	Net Return on C'pl % (9)	Net Current Assets (10)
BUILDING MATERIALS	34	255,695 (210,332)	+21.6	187,651 (150,757)	150,862 (115,846)	82,381 (63,254)	64,227 (48,108)	+33.5	24,034 (18,661)	+28.8	104,215 (82,629)	1,170,877 (1,007,566)	16.0 (15.0)	366,20[illegible] (273,09[illegible])
CONTRACTING & CONSTRUCTION	20	39,708 (27,041)	+46.8	27,143 (16,525)	22,212 (9,984)	11,030 7,536	11,085 (2,303)	+381.3	2,813 (2,135)	+31.7	19,487 (9,658)	107,781 (100,784)	25.2 (16.4)	34,464 (36,226)
ELECTRICALS (EX ELECTRN. ETC.)	15	392,286 (345,493)	+13.5	305,186 (273,293)	261,336 (241,683)	142,487 (122,939)	134,620 (114,628)	+17.4	33,466 (28,140)	+18.9	184,207 (165,176)	1,423,609 (1,277,871)	21.4 (21.4)	744,81[illegible] (657,89[illegible])
ENGINEERING	71	218,385 (190,583)	+14.6	174,365 (151,700)	149,875 (128,146)	77,086 (67,858)	76,014 (57,415)	+32.4	27,072 (21,250)	+27.4	77,673 (67,761)	939,541 (822,225)	18.6 (18.4)	460,2[illegible] (337,50[illegible])
MACHINE TOOLS	6	27,359 (26,758)	+2.2	20,102 (20,304)	13,753 (15,940)	7,268 (10,609)	5,591 (4,019)	+38.9	2,171 (1,942)	+11.8	9,352 (7,334)	169,181 (150,816)	11.9 (13.5)	75,905 (69,66[illegible])
MISC. CAPITAL GOODS	20	71,828 (46,549)	+54.3	37,371 (39,694)	30,713 (31,097)	15,241 (16,054)	15,020 (14,617)	+2.8	4,246 (3,331)	+27.5	16,884 (16,465)	238,752 (231,249)	15.6 (17.2)	127,07[illegible] (117,6[illegible])
TOTAL CAPITAL GOODS	166	1,005,261 (846,756)	+18.7	751,818 (652,273)	648,751 (540,698)	335,433 (288,250)	305,547 (241,090)	+27.1	93,802 (75,459)	+24.3	411,818 (338,993)	4,049,721 (3,590,511)	18.6 (18.9)	1,807,7[illegible] (1,492,14[illegible])
ELECTRONICS RADIO & TV	9	211,771 (183,137)	+15.6	129,216 (109,054)	115,397 (93,401)	57,683 (50,918)	56,306 (42,336)	+33.0	12,099 (9,249)	+30.8	124,938 (105,766)	564,921 (515,398)	22.9 (21.2)	172,09[illegible] (128,022)
HOUSEHOLD GOODS	21	38,582 (27,731)	+38.3	27,590 (20,744)	22,513 (17,184)	12,079 (8,397)	10,351 (7,350)	+40.8	3,468 (2,954)	+17.4	12,744 (9,546)	143,919 (134,860)	19.2 (18.4)	51,539 (46,78[illegible])
MOTORS & COMPONENTS	10	41,673 (39,567)	+5.3	31,958 (31,669)	24,305 (24,374)	12,871 (11,235)	11,745 (12,608)	—6.8	4,908 (4,188)	+17.2	18,234 (15,335)	189,446 (166,365)	16.9 (19.1)	80,019 (62,292)
MOTOR DISTRIBUTORS	7	13,207 (11,998)	+10.1	6,699 (6,435)	4,193 (4,151)	2,394 (2,525)	1,670 (1,601)	+4.3	1,009 (918)	+9.9	6,462 (5,789)	53,748 (48,906)	12.5 (13.2)	5,797 (3,999)
TOTAL CONSUMER DURABLES	47	302,233 (262,433)	+15.2	195,473 (167,902)	166,508 (139,110)	84,027 (73,069)	80,072 (63,895)	+25.3	21,484 (17,309)	+24.1	159,378 (136,434)	952,034 (863,949)	20.5 (19.4)	309,370 (241,09[illegible])
BREWERIES	6	60,957 (46,674)	+30.6	50,409 (37,805)	37,548 (27,360)	19,960 (13,883)	17,078 (13,014)	+31.2	8,162 (7,438)	+9.7	18,496 (13,757)	486,017 (454,449)	10.4 (8.3)	25,509 (2,961)
DISTILLERIES & WINES	6	125,056 (101,744)	+22.9	116,082 (92,434)	98,252 (79,377)	52,136 (42,021)	45,722 (37,080)	+23.3	22,148 (20,209)	+9.6	32,511 (25,306)	660,368 (587,346)	17.4 (15.7)	494,979 (400,615)
HOTELS & CATERERS	7	5,968 (4,927)	+21.1	5,051 (4,082)	2,743 (2,507)	1,164 (1,040)	1,560 (1,249)	+24.9	744 (713)	+4.3	1,347 (1,074)	50,090 (24,591)	10.1 (16.5)	—14,61[illegible] (—14,95[illegible])
LEISURE	5	18,893 (16,515)	+14.4	12,631 (11,015)	9,480 (8,287)	4,869 (4,276)	4,564 (3,946)	+15.8	2,600 (2,302)	+12.9	7,517 (6,162)	77,954 (73,859)	16.2 (14.9)	6,285 (4,851)
FOOD MANUFACTURING	19	211,476 (161,432)	+31.0	167,589 (117,483)	114,658 (70,156)	56,652 (34,506)	48,358 (29,335)	+64.9	15,632 (13,186)	+18.5	78,651 (55,718)	1,020,920 (946,186)	16.4 (12.4)	167,58[illegible] (144,8[illegible])
FOOD RETAILING	12	183,008 (164,566)	+11.2	135,707 (122,303)	106,203 (92,854)	52,265 (45,367)	49,368 (42,860)	+15.2	17,007 (15,767)	+7.9	75,447 (65,529)	813,565 (850,500)	16.7 (14.4)	170,45[illegible] 138,80[illegible]
NEWSPAPERS AND PUBLISHERS	9	24,630 (21,467)	+14.6	18,100 (17,545)	15,940 (15,293)	9,044 (8,565)	6,657 (6,382)	+4.3	2,820 (2,508)	+12.4	9,085 (6,938)	108,482 (95,971)	16.7 (18.3)	25,903 (23,24[illegible])
PACKAGING AND PAPER	9	61,173 (70,113)	—12.7	42,278 (53,590)	31,632 (43,934)	18,745 (21,506)	10,807 (19,223)	—43.8	7,772 (5,746)	+35.3	21,652 (29,911)	330,596 (297,788)	12.8 (18.0)	98,071 (80,564)
STORES	45	557,158 505,938	+10.1	492,016 (444,288)	451,056 (403,661)	239,659 (209,165)	209,437 (193,174)	+8.4	93,690 (86,512)	+8.3	173,623 (157,511)	3,323,065 (3,132,770)	21.2 (20.9)	729,08[illegible] (592,67[illegible])
CLOTHING AND FOOTWEAR	26	27,883 (29,658)	—6.0	19,527 (22,162)	14,232 (17,017)	8,198 (9,759)	5,849 (7,287)	—19.7	3,334 (3,246)	+2.7	8,584 (9,468)	124,761 (121,837)	15.6 (18.2)	41,681 (40,762)
TEXTILES	32	192,696 (266,689)	—27.7	116,548 (200,937)	75,548 (157,745)	20,732 (42,725)	42,577 (106,144)	—59.9	23,858 (22,001)	+8.4	90,693 (146,885)	1,263,081 (1,176,375)	9.2 (17.1)	472,57[illegible] (442,46[illegible])
TOBACCO	3	86,470 (64,864)	+33.3	69,668 (51,302)	47,381 (27,840)	25,237 (16,153)	20,801 (9,282)	+124.1	3,229 (2,963)	+9.0	32,884 (18,679)	297,775 (279,713)	23.4 (18.3)	168,32[illegible] (131,91[illegible])
TOYS AND GAMES	3	17,505 (13,609)	+28.6	14,234 (10,506)	12,026 (8,882)	6,228 (4,497)	5,412 (4,317)	+25.4	1,054 (821)	+25.9	7,376 (6,047)	51,234 (45,616)	27.8 (23.0)	32,58[illegible] (21,96[illegible])
TOTAL CONSUMER NON-DURABLE	182	1,572,883 (1,468,216)	+7.1	1,248,840 (1,185,452)	1,016,709 (954,723)	512,888 (453,465)	468,190 (473,285)	—1.1	202,030 (183,412)	+10.1	558,746 (542,985)	7,607,888 (7,077,012)	16.4 (16.7)	2,407,41[illegible] (2,010,1[illegible])
CHEMICALS	13	138,566 (104,106)	+33.1	119,735 (86,623)	107,856 (75,846)	48,653 (36,223)	58,206 (39,114)	+48.8	10,882 (9,232)	+17.9	64,878 (44,572)	360,068 (277,391)	33.2 (31.2)	158,3[illegible] (108,79[illegible])
OFFICE EQUIPMENT	5	3,655 (5,287)	—30.9	1,762 (3,765)	349 (2,873)	584 (1,615)	—254 (1,254)	+128.8	420 (495)	—15.1	613 (1,915)	21,476 (26,110)	8.2 (14.4)	6,875 (3,515)
SHIPPING	4	17,907 (21,858)	—21.8	10,970 (17,994)	7,429 (17,281)	3,030 (3,758)	4,774 (12,937)	—63.1	975 (1,327)	—26.5	10,366 (16,530)	156,084 (125,358)	7.0 (14.3)	35,89[illegible] (34,14[illegible])
MISC. INDUSTRIAL	48	441,815 (445,284)	—0.8	322,520 (341,302)	248,180 (274,416)	132,325 (141,281)	104,340 (118,960)	—12.3	49,079 (43,085)	+13.9	165,594 (173,471)	2,444,726 (2,158,814)	13.2 (15.8)	531,67[illegible] (483,5[illegible])
TOTAL INDUSTRIALS	465	3,481,510 (3,153,940)	+10.4	2,651,118 (2,455,311)	2,195,782 (2,004,945)	1,116,940 (997,659)	1,021,875 (950,505)	+7.5	378,672 (330,317)	+14.6	1,371,393 (1,264,900)	15,591,997 (14,119,145)	17.0 (17.4)	5,257,3[illegible] (4,315,4[illegible])
OIL	2	1,468 (1,991)	—26.3	993 (1,383)	868 (1,254)	646 (726)	207 (503)	—58.8	184 (132)	+39.4	348 (835)	11,496 (9,876)	8.6 (14.0)	3,195 (1,868)
BANKS	2	135,785 (126,824)	+7.1	115,188 (111,558)	113,732 (110,324)	57,356 (57,001)	48,216 (47,851)	+0.8	13,136 (10,669)	+23.1	54,779 (51,751)	497,325 (400,329)	23.2 (27.9)	—867,5[illegible] (—695,3[illegible])
DISCOUNT HOUSES, MERCHANT BANKS etc.	10	25,393 (—32,898)	+180.2	— (—)	— (—)	— (—)	16,293 (—42,083)	+138.7	5,976 (5,386)	+10.9	— (—)	3,068,671 (2,773,474)	— (—)	121,58[illegible] (91,07[illegible])
HIRE PURCHASE	1	1,695 (1,738)	—2.5	1,473 (1,560)	975 (868)	607 (448)	468 (414)	+13.0	147 (126)	+16.7	408 (378)	8,806 (9,356)	16.7 (16.6)	7,295 (5,210)
INSURANCE	—	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	2	18,839 (9,627)	+95.7	12,064 (8,430)	12,005 (8,247)	5,861 (3,941)	5,806 (4,078)	+42.3	1,253 (1,165)	+7.5	6,378 (5,567)	20,830 (16,192)	57.9 (52.1)	10,98[illegible] (8,917)
INVESTMENT TRUSTS	80	123,178 (114,520)	+7.6	120,154 (113,183)	96,432 (86,205)	36,039 (32,646)	56,120 (51,062)	+9.9	52,085 (46,169)	+12.8	4,130 (4,963)	2,334,252 (1,773,334)	5.1 (6.4)	16,48[illegible] (95,61[illegible])
PROPERTY	36	193,992 (169,342)	+14.6	189,006 (165,044)	42,823 (21,258)	22,896 (17,791)	14,637 (1,378)	+962.2	13,879 (12,524)	+10.8	3,940 (—8,759)	1,848,565 (2,834,657)	10.2 (5.8)	—367,1[illegible] (—497,9[illegible])
MISC. FINANCIAL	3	1,768 (1,699)	+4.1	1,656 (1,592)	1,069 (673)	359 (154)	705 (518)	+35.7	376 (349)	+7.7	359 (181)	17,360 (15,944)	9.5 (10.0)	7,898 (8,50[illegible])
TOTAL FINANCIAL	134	501,650 (390,853)	+28.3	439,541 (401,357)	267,036 (227,569)	124,718 (111,981)	142,246 (63,219)	+125.0	86,852 (76,388)	+13.7	68,974 (52,043)	†4,727,138 (†5,049,812)	†9.3 (†7.9)	—668,4[illegible] (—980,[illegible])
RUBBERS	3	1,717 (1,167)	+47.1	1,583 (1,057)	1,583 (1,057)	826 (517)	756 (538)	+40.5	433 (322)	+34.5	416 (290)	6,191 (4,029)	25.6 (26.2)	1,20[illegible] (1,06[illegible])
TEA	3	3,896 (3,590)	+8.5	3,480 (3,284)	3,144 (3,026)	1,909 (2,003)	1,079 (927)	+16.4	212 (198)	+7.1	1,199 (987)	21,850 (9,405)	16.4 (34.9)	4,213 (1,16[illegible])
TIN	4	7,079 (8,760)	+19.2	6,077 (7,966)	5,434 (7,421)	2,896 (3,865)	2,488 (3,536)	—29.6	2,292 (2,337)	—1.9	1,051 1,832	21,592 (21,642)	28.4 (36.8)	934 (454)
MISCELLANEOUS MINING	4	65,254 (64,519)	+1.1	60,245 (48,206)	49,958 (38,961)	23,469 (15,924)	24,672 (22,121)	+11.5	10,687 (9,661)	+10.3	18,137 (26,172)	562,162 (352,735)	16.6 (14.5)	60,49[illegible] (27,45[illegible])
OVERSEAS TRADERS	5	74,150 (65,616)	+13.0	65,740 (67,334)	43,684 (41,629)	22,279 (20,810)	17,769 (17,746)	+0.1	4,294 (3,329)	+29.0	22,591 (21,259)	392,191 (323,593)	16.2 (17.7)	69,81[illegible] (61,89[illegible])
TOTAL COMMODITIES	19	152,096 (143,652)	+5.9	136,125 (117,845)	103,803 (92,094)	51,379 (43,119)	46,764 (44,868)	+4.2	17,888 (15,847)	+12.9	43,194 (52,640)	803,188 (691,332)	15.8 (17.0)	126,89[illegible] (81,40[illegible])

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.
2—All prior charges—sinking fund payments, etc., and Preference dividends and
3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities except bank overdrafts.

† For merchant banks and discount houses a more realistic figure to use is the balance sheet total.

Col. 9 represents the net return on capital employed Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

* Excluding merchant banks, discount houses, insurances, etc.

* No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

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FINANCIAL TIMES REPORT

Friday, December 3 1976

LEEDS

Endowed with the enduring qualities characteristic of its Yorkshire setting, Leeds continues to present to the world its traditional image of agreeable prosperity derived from hard work. Problems there may be, but they are not regarded as insuperable.

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Money still about

This Report was written by Alan Forrest

WE'VE BEEN a bit compla-nt in Leeds. We've always nded to think we're God's gift the North of England and dn't ever believe we'd have shop around to attract jobs. 'ith times as they are, we're ianging, I'm glad to say."

The speaker was a Leeds isinessman and very few embers of business organisa-ons or the City Council would isagree with him. The city has ways enjoyed a prosperity eater than the smaller centres West Yorkshire, particularly iose tied to one industry like xtiles. Leeds has always been ig Daddy of the area, a place ou were told, where you might et your wallet pinched if you ent there on a Saturday night, flashy town, suspected and nvied.

The truth is that Leeds is a iendly and warm city. It has ijoyed prosperity, but through ard work, although this never opped people in Bradford, its ear neighbour, from believing iey did the hard work making ie cloth while the multiple ilors of Leeds turned it into iits and reaped the big profits.

Suspicions

There are signs that these uspicions are breaking down. eeds city councillors say that elations with Bradford have ever been better. One reason ay be that they are now wo Tory-controlled authorities nder the umbrella of a Labour-ontrolled county council and eel they have battles in com-ion to fight.

While Leeds is suffering like iost large centres from the ecession, businessmen are oping for better things. They elcome a city council with a 'ory majority (four over all arties). Irwin Bellow, its eader, is chief executive of an ngineering company, and Peter Sparling, the deputy leader, a Leeds solicitor. "We feel they're a little more alive to our problems than the Labour lot," businessmen say.

One of the problems has been a rundown in the city's manufacturing activity. In 1954 55 per cent. of the population was in manufacturing. By 1974 the figure was down to 38 per cent. In the years 1963-73 there was a decline in manufacturing employment of 32,700 people. With Leeds' growth as an office centre in recent years these figures tended to be ignored. But now both business organisations and councils are agreed on the need to bring more manufacturing to the city.

Peter Sparling spoke about the fight by the council to keep down spending. "We've got a system now that no council post can be filled—with the exception of teaching jobs—without the consent of the leader and the deputy leader. We get together regularly with the chief executive and we vet every job vacancy even down to a kitchen hand. Since April 1, 1975, we have 1,065 vacancies which have not been filled, a net saving of 475 jobs. We've made all our job cuts through wastage—no redundancies."

Mr. Sparling admitted he is worried about the prospect of further cuts in local government budgets. "We have so far avoided cuts that hurt," he said, "but an extra 5 per cent. would take us into some rather painful areas."

Talking with councillors in Leeds, gives one an impression of a well-governed city. Though the large centres of West Yorkshire have always been run on party political lines Leeds has been fairly free of real political strife at Town Hall level. "Our relations with Sir Albert King (the respected leader of the Labour group) have always been good—he's one of the nicest people I know," Mr. Sparling said. But some Tory councillors are worried that this atmosphere of sweet inter-party reason will not survive Sir Albert's approaching retirement—they feel there are young eager beavers in the Labour group spoiling for a fight.

Peace was disturbed last week after the news broke of an outbreak of food poisoning from locally made pork pies. A Labour councillor demanded the suspension of the environmental health officer and a major row seemed imminent. As I chatted with Mr. Sparling his phone rang. "Excuse me," he said, "it's the chief executive—and it's pork pies again." Other councillors said this wouldn't have happened "if Albert had been around." (The Labour leader was away on holiday at the time.)

But reasonable peace normally reigns in the Town Hall. Councillors seem to get on with the job of governing a huge metropolitan district of over 700,000 people. The new Leeds is much more than the old city of canals, engineering works, dusty pubs and cricket madness. It is one of five West Yorkshire districts—the others are Bradford, Kirklees, Calderdale and Wakefield—and has taken on more territory and more problems.

Cheerful

When you talk to its citizens around the pubs and in the fine new shops you find cheerfulness. Those in secure jobs are earning good money, but there is worry about the future of the wholesale clothing and multiple tailoring industry as more big groups run down manufacturing and switch more investment to retailing.

They have already lived through a decade of change, of old buildings torn down. They walked through acres of rubble amid a cacophany of road drills. They saw a new city emerge and just at the time they should have begun to enjoy it the recession came along.

There are still black spots. A walk along Elland Road to the Leeds United football ground, for example, isn't exactly the best introduction to one of Europe's premier football clubs. And a man who is far from being an enemy of the English pub, told me: "There are too many dreary drinking dens left. The new pubs are too flash. The brewers don't seem able to strike a happy medium."

It is true there are pubs in the city centre that, to put it mildly, are Hogarthian. But the splendid shops and old arcades are a joy to wander around. If Leeds is in for harder times you don't find much evidence of people accepting it yet. The rakishness and flashiness that once made the city a love-hate object to the rest of Yorkshire is still there.

Tailored for commuters

ONE CHANGE in the social pattern of Leeds in recent years has been the growth of the commuter habit. People who once would settle for green belt living in suburbs like Alwoodley and Adel are taking houses in the Dales and a few are even driving 80 miles from the Yorkshire Coast each day to offices in the city centre.

The attractions are great. To find the tranquility that comes from living in a Dales village, a Londoner would need to travel over a hundred miles. A village like Burnsall, in the heart of Wharfedale, is roughly 30 miles from City Square.

But to make this life-style pay off, communications must be good. Those around Leeds are excellent. They always were. Fast diesel trains were running between Leeds and Bradford doing the 11-mile journey in just over 15 minutes long before British Rail had banished steam. And now a quick rail journey from the City Station drops a worker at places like Menston, Burley, Ilkley, dormitory areas on the edge of the moors.

For travelling longer distances, motorway services are just as good. The road link between the Mersey and the Humber is excellent as are road communications with the North East. And trains from London are almost hourly, taking little over three hours on average.

For a city with such a splendid record for getting people from one spot to the other, Leeds is taking an awful long time to make up its mind about the future of its airport. It is not entirely the city's fault—three authorities are involved in running the Leeds-Bradford Airport at Yeadon—the West Yorkshire County Council and the cities of Leeds and Bradford.

The plan is to build—at a cost of £8m.—a longer runway to the existing airport so it can take the big Jumbo jets. And the latest episode in the continuing story was a vote in the City Council a fortnight ago. The controlling Tories allowed their supporters a free vote, but Labour put the whips on. The council voted against the runway, 14 Tories voting with the Labour group while the council leader and deputy leader voted for the runway. The consolation for runway supporters is that the two other authorities on the airport committee are in favour of it.

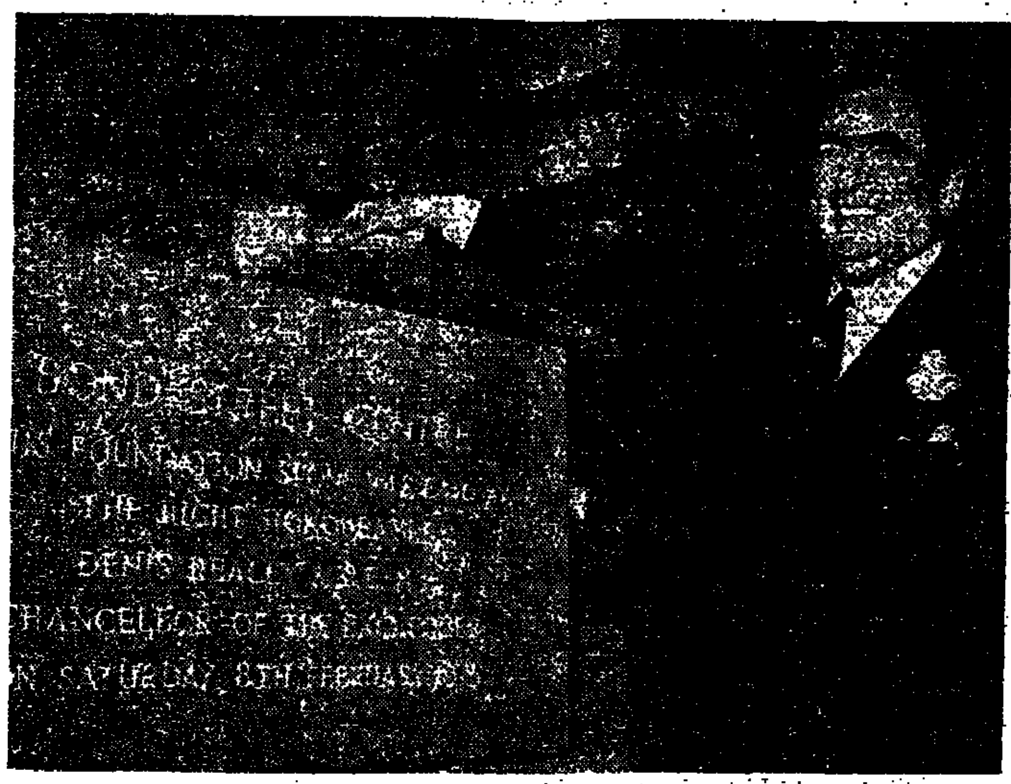
Arguments

The arguments against it are both environmental and economic. People who live in pleasant dormitory areas like Horsforth and Yeadon don't rate the quality of their lives very highly if Jumbo jets start using Yeadon. And others just simply say there is no justification in spending a sum of £8m. at a time like the present.

Threats of Jumbo jets notwithstanding, a lot has been done to make life pleasanter for the people of Leeds in recent years. The council has an ambitious plan operating for "refurbishing" pre-war council houses, work which involves almost tearing the inside out, putting in new bathroom suites, modern kitchens and central heating. Many have been completed and there are plans to do 20,000 more.

For house-buyers, property on the market seems reasonably priced. "A semi in a quiet cul-de-sac" at Horsforth was recently on offer at £11,500 and for the more ambitious (and richer) £22,000 was asked for a stone-built lodge "designed by a famous architect and overlooking the Yorkshire Dales." A terrace cottage at Bridlington—on the Yorkshire coast, but within commuting distance of Leeds, seemed a snip at £7,500.

With the smoothness and convenience of local travel it is possible to shop around. One estate agent said: "You can even find a real bargain still around the Dales if you search." Only a couple of years ago a Bradford architect was able to buy a stone-built cottage in the centre of the pleasant market town of Skipton for less than £3,000.



Mr. Denis Healey, who is MP for Leeds East, when he laid the foundation stone for the new Bond Street Centre and an artist's impression of the new Centre.

Central facelift

LEEDS HAS carried through its city centre transformation rather more successfully than its neighbouring industrial cities. Along with fine new shopping precincts, hotels and office blocks, it has kept enough of its Victorian past to give the visitor the odd glimpse of the city people that Sir John Betjeman and others was nostalgic about.

As Peter Sparling, deputy leader of the city council, puts it: "We benefitted by coming to central redevelopment later than other cities in the north. When our scheme got underway the passion for tearing everything down had abated. We tried to keep the best of the old." This policy is being maintained. For example, a plan to develop the old Post Office site in City Square will preserve the building's handsome Victorian facade. Pleasant Victorian shopping arcades have been kept intact amid their new precincts, with their flower pots and pedestrian walks.

In the immediate future two controversies will dominate the further planning of the centre. The first one concerns office building—should there be more or less? With its position as a big regional centre with smooth communications with London and the ports of the Humber in the east and the Mersey in the west, Leeds has attracted big names in the office world. Groups such as Norwich Union and County Bank, Nat West's merchanting arm, have set up regional headquarters there.

Attitude

Local businessmen feel there is room for still more office development but the West Yorkshire County Council has its eyes on the county's smaller regional centres where the drive for office jobs has not been so successful. There is a feeling in the county that Leeds must now step down in favour of towns where low-rent office accommodation is going begging.

The city's Chamber of Commerce criticises this attitude in its recent memorandum on the West Yorkshire Structural Plan (to be published in 1978). "Rents achievable in every area of West Yorkshire except Leeds are too low to sustain a successful speculative office development at current building costs," the Chamber says.

It refutes the argument "that restriction of office development in Leeds will lead to those offices being built in Bradford, Halifax, Huddersfield or Wakefield," and argues that the only beneficiaries of such a policy will be the other nearby regional "capitals" of Sheffield and Manchester. Although the Chamber agrees that a time could come when the city reaches a level of congestion that made restraint necessary, it says: "Leeds is far from that state at the moment."

Leeds businessmen see no objection to the spread of "the office centre across central Leeds. One idea that is looked on with favour involves "three-tier developments" with offices sandwiched between a shopping ground floor with flats above. "The effect would be to bring back people into the city centre which in places is dead in the evening," the Chamber's report says.

It adds: "The debate on office development has concentrated on the centre of Leeds, but the suburban areas are also attractive because of the nearness to motorways, the lower level of rents, the part-time office labour available and the greater car parking facilities in many suburban areas."

The other controversy affecting the future of the city centre concerns the private car. Councillors and businessmen in the city feel Leeds is suffering from the dedication to public transport of the Labour-controlled West Yorkshire County Council, their overlords so far as highways and transport policy are concerned. One company director said: "Of course we're not against constant improvement of public transport — ours is the best in the county and we want it to continue so. But there is a balance to be maintained and the balance at the moment is against the private car."

They carry a lot of support from shoppers and visitors. The traffic-free Headrow, one of the city's best shopping streets, has not been universally popular, either with shoppers or shopkeepers. "We don't want the right to park cars anywhere," a salesman said, "but the authorities seem to be forgetting the needs of people who want to call on customers and just park their cars for a short time at a reasonable charge." Businessmen are happy with a policy that limits commuter parking, but argue for a more permissive policy for short-term parkers.

The future of offices and car parking are both problems the city will iron out. Many members of the business community see a chance of a rapid change in attitudes if control of the county council goes to the Tories at the next election. But nobody is taking any heavy bets on that happening.

In the meantime, the inner city continues to improve. The big new Bond Street centre being developed by Raglan Property Trust is a welcome addition to a shopping area which has always been the best in Yorkshire. It will contain Boots' department store and the biggest British Home Stores branch in the U.K.

With the building of the National Exhibition Centre in Birmingham, and the nearby West Yorkshire towns of Harrogate and Ilkley developing excellent facilities, Leeds does not expect to rate as a top conference centre. But members of the Chamber of Commerce believe there is scope for small exhibitions there, particularly in the field of engineering, one of the city's major industries. And it was recently announced that Bantam Investments had put forward plans for a refurbishment of the city's Queen's Hall to provide two car park decks with 900 spaces, small exhibition suites, squash courts and a shopping mall.

Mainstay

A casual chat with Saturday shoppers reveals enthusiasm for change. There are a few reactionaries, of course, like the man who said: "I've never set foot inside Schofield's since the old Theatre Royal was closed to extend the store." That was nearly 20 years ago. But Schofield's, and that other old mainstay of Leeds shopping, Lewis's, still do splendid business along with the swinging new boutiques around Bond Street and Albion Street.

It is certainly a cleaner city centre than ever before. You can now actually see the ornamental stonework on the old Victorian buildings, the Black Prince who has stood sentinel in City Square for more than a century is now almost a White Prince and somebody said the other day: "I've really seen the Town Hall for the first time. I used to think it was just a mucky pile of stone. Now I know what John Betjeman was on about."

Industrial promotion

LEEDS IS preparing to go into industrial promotion in a big way. The city's leaders—business and local government—are determined to bring back more manufacturing jobs to the city. Its first handout to industrialists is a nicely produced folder with a revolving disc comparing Leeds' rates with those of most other big manufacturing centres. Leeds, of course, has the lowest.

"We think our low rates are among the best things we've got to offer," a council spokesman said, "and certainly, other areas are already complaining about unfair propaganda."

Leeds has finally decided to go shopping for its industry. The Chamber of Commerce in its memorandum on the West Yorkshire structural plan, tells the county council: "There is simply not enough land allocated for industrial use. If a major industrial company were to be attracted to the county, where would it find a choice of 100-acre sites, or even one 100-acre site?" So the need is for more industrial land—and the companies to come into the area and fill it.

Thus industry-hungry policy is an about-turn from even a year ago when the Chamber was saying: "Leeds is unlikely to attract any major influx of manufacturing activity and therefore growth has to come from services and office work."

If more manufacturing comes to the city it will be welcomed by the citizens. Leeds has a long history as a manufacturing centre. And even its manufacturing has had a diversity that was the envy of other towns—from heavy engineering to Christmas cards and jig-saw puzzles—cushioning the city from the worst of bad times.

You can still meet elderly women doing clean, light jobs in shops or offices who talk nostalgically of the days they were sewing machinists at Burton's before the rundown of the clothing industry began and wish they were back there. Certainly, any industry setting up shop in Leeds will have no difficulty in filling jobs.

The Chamber's memorandum calls for a return to industrial location in the inner towns and cities. It points out that the 1960s were marked by two trends—workers from places like Hunslett were moved to places on the outskirts of Leeds and at the same time companies displaced by road building in South Leeds were moved to greenfield sites.

"Two trends," the Chamber says, "were never co-ordinated and the result has been that skilled labour has been lost to industrial firms and transportation costs faced by workers have increased enormously."

Behind all the thinking and planning lies one simple truth. Leeds wants to remain a manufacturing district and grow as one. It wants its share of footloose industry and isn't too proud any longer to beg it to come to the city. Planners in some other areas tell you "We'll take anything but the car industry—that spells trouble." But Leeds has several car component plants within the city—axles are made at Kirkstall Forge and British Leyland have set up a plant at the West Yorkshire Foundry—and labour relations have been excellent so far.

Transfer

The question mark over the clothing industry is constantly on the minds of business leaders. The rundown of Burton's, the transfer of jobs by some companies to the North East was a blow to people who had always seen "the tailoring" as Leed's own craft. The recent success story of the Hepworth group, however, has raised some spirits.

In planning the future business leaders have been concerned about the effect of major city redevelopment on the small business.

Older property near the city centre, has traditionally been the area for small manufacturing and service companies, often little more than one-man businesses. Redevelopment has displaced many of them and the amount of low-rent accommodation has been reduced considerably.

The Chamber of Commerce says: "This is a worrying development for the future manufacturing base of the city in that it is from these beginnings that many medium-sized firms grow."

Leeds is the centre of another industry which is going through many changes—printing. About half the 14,000 printers in the county work in Leeds at companies such as Alf Cooke and Waddington's, Britain's major producers of playing cards. The big printing machine manufacturers, Crabtree Vickers, is also sited in the city. According to a recent survey there are 1,800 diverse forms of industrial activity going on in the city at any given moment.

It is on this diversity Leeds plans to build. It hopes that what it has to offer will be attractive to foreign companies. Already the Japanese are involved in the local ball-bearing industry. Cameron Ironworks, a comparative newcomer to the city and now a leading force in the local engineering industry, is U.S.-owned.

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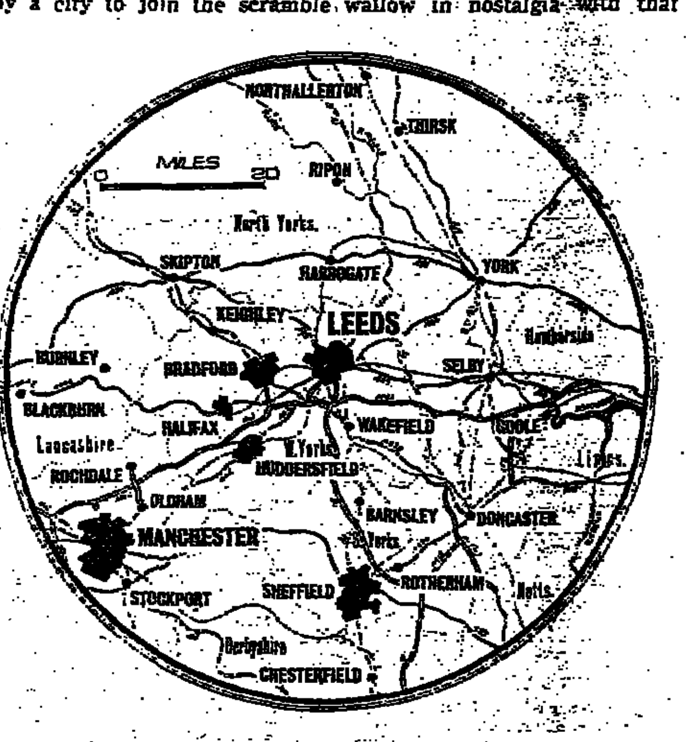
Drawing the crowds

NORTHERN CITIES, never particularly lax at pursuing footloose money, have just woken up to the foreign shopper boom. Why, they ask, shouldn't they have a taste of the success enjoyed by decadent South-East resorts like Folkestone?

With ports such as Newcastle, busy with traffic from Scandinavia, it is easy. Leeds, 70 miles or so from the sea, cannot claim to be that sort of magnet. But with the news that continentals are looking at Hull as a place for cheap shopping in Britain, Leeds is already saying: "We've got the best shopping centre in the Yorkshire and Humberside region. Why not come here?"

This is not just an attempt by a city to join the scramble



for foreign spenders. It is another sign that old industrial centres like Leeds are suddenly realising they have a tourist potential — and are looking around for ways to fill those hundreds of empty hotel bedrooms at week-ends when the directors and salesmen and TV stars filming a northern soap opera have gone back to London.

Leeds business organisations and the city council have plans to boost tourist trade. They are not taking the Rotherham line—Rotherham invited holidaymakers to come and spend a few days looking at "industrial archaecology"—old mills and pit sites to put it more bluntly. Leeds is plugging the splendid green countryside a short drive from the centre—the Yorkshire Dales, the Wolds and the coast, all speedily reached by road or rail, the countryside that has delighted the Texan bosses of a local engineering works and sent car loads of Japanese out of the city when the wheeling and dealing is done.

The draw for tourists would be green countryside, historic houses and castles, the miles of moors and dales with a smart hotel to return to at night in a city centre packed with night life. For after a few lean years of entertainment, Leeds has blossomed. Last week, for example, you could see Macbeth at the Playhouse, hear the Welsh National Opera at the Grand or wallow in nostalgia with that veteran comedian of variety's golden days, Nat Jackley, at the City Varieties.

Leeds has a fine theatrical tradition. Though it lost two theatres in the 1950s, the Theatre Royal and the Empire, the future of its existing ones are assured with the lease of the Grand now held by the local authority and the City Varieties famous all over the UK and outside as the home of BBC Television's long-running "The Good Old Days."

Last week the Grand's week of opera was a sell-out and the theatre reports good advance bookings for its pantomime starring Harry Worth, in spite of competition from the City Varieties which is billing "Snow White and the Seven Dwarfs starring Seven Real Dwarfs."

The latest addition to the city's cultural life is the new sculpture gallery planned as an extension to the city art gallery. This glass-fronted structure will receive a £100,000 Arts Council grant—the biggest the council has given for such a project. The great Yorkshire sculptor, Henry Moore, has visited the city recently to give his support to the venture and has promised some of his work for permanent exhibition. The idea is that the gallery will pay for itself without any charge on the rates—an ambition that will be helped by the incorporation of a pub on the premises. This will be run by Cameron's, the North East brewers, which has long been anxious to get a footing in the city where the local licensing trade is dominated by the old Yorkshire names of Tetley, Webster, John Smith and Samuel Smith.

Sport

Council deputy leader Peter Sparling spoke enthusiastically of the sculpture gallery venture. He pointed out that Leeds is determined to develop its already considerable leisure facilities. "We are open to any ideas," he said, "so long as a project will pay for itself and won't cost the ratepayer anything."

Sport is high on the list of Leeds attractions. At Headingley you will find probably the most erudite cricket crowd in the world — this means that though Yorkshire isn't the team it once was everybody can tell you why at great length. There are half a dozen county grounds less than a day's drive away and both rugby codes are on show at Headingley.

Leeds United's ground at Elland Road is only a long stone's throw from the city centre — again the club isn't what it was, but the arrival of Moscow Dynamo representatives in the city last week for a look at "a great English team" made United supporters walk a little more springingly again.

Leeds has always been a sophisticated and cosmopolitan city, a statement that may seem hard to believe to some southerners sold on the Coronation Street image of the north. But it is in a class of its own among Yorkshire towns—thanks to a large and wealthy Jewish population which has enriched the city's cultural life and an older Yorkshire tradition of choral music which has made the Leeds Festival one of the great events of its kind.

Night life has improved. It was always there, but at a price and most people had to be content with "the pub and the pictures." Now with more money around, even in the present economic situation, the choice for everyone has widened. Restaurants, discos and bars are doing excellent business.

Eating out in Leeds has always been excellent. At Nash's fish restaurant just across the road from the Grand Theatre you can sample a huge portion of such haddock as never passed southern lips for just over £1 and at the top end of the scale is the French Restaurant at the Queen's Hotel, one of the last of the railway "grand hotels." Also within the city boundary is Harry Ramsden, the world-famous fish restaurant which was given three pages in a Sunday colour magazine recently and a spot on BBC Television's Blue Peter.

But when the sun shines the real attraction in Leeds is that fast train from the City station out to the country, to spots like Ilkley, the little moorland town that Yorkshiremen sing about. As one Leeds citizen put it: "I'm not knocking Leeds when I say it's a lovely town to get out of. That's one of the things that makes it worth living here."

A familiar scene for the last decade as thousands of old houses in Leeds have been torn down.

Looking to the future

IT IS IMPOSSIBLE to look at the future of Leeds without considering the rest of West Yorkshire. The huge new county — one of the biggest metropolitan counties in the U.K. — is an area of towns closely associated. For this reason businessmen calling on customers always look on Leeds as an ideal trip — they are likely to have customers to see in Bradford, Halifax and Huddersfield, a round tour that can be done between mid morning and late afternoon.

The close links between the centres is nowhere more noticeable than in the relations between Leeds and Bradford. Bradford and the towns nearby have spun and manufactured top-quality wool and worsted cloth for many years and Leeds, with its great clothing manufacturing industry, has been a traditional doorstep market for the products of the mills of Bradford and Huddersfield.

And though nowadays you are more likely to see a Huddersfield worsted suit going for £300 in a Tokyo department store than in a multiple tailor's shop in Boar Lane, Leeds, the links between the centres are still close.

In giving its views on the West Yorkshire Structure Plan, Leeds Chamber of Commerce recognises these close links. "West Yorkshire is faced with the aftermath of the Industrial Revolution at a time when it also has to deal with structural unemployment in textiles, clothing and mining. The numbers employed in all three industries are declining through the development of the Selby coalfield, and the investment in the wool textile industry will help to lessen that decline." It also welcomes signs of a new attitude to modernisation in the Leeds clothing industry.

Doubts

The report goes on to emphasise the need to improve industrial dereliction throughout the county, to improve the environment and introduce new amenities, but, looking at the present economic situation, the Chamber doubts that public money will be available for these objects.

During the next few years, it believes, public expenditure will continue to be kept down and the county council's ability to alter the course of events will be limited. "Equally any solution which seeks to restrain growth will not provide the finance to the county council to meet even limited objectives.

"Only by allowing industry, both private and public, to expand and create wealth . . . will West Yorkshire generate sufficient income to make good the damage of the 19th and 20th centuries."

Although at times Leeds businessmen seem only concerned with their own city, it is not so. They have taken a firm stand on any plan to severely cut Leeds's share of new office building, but this is because they feel Leeds is the natural regional centre. They accept that the prosperity of the neighbouring towns must be assured — that a prosperous Leeds with constant depression in the smaller centres would put a pressure on jobs in the larger city that even such a diverse manufacturing pattern could not satisfy.

At one time, and not so many years ago, this was no problem. Bradford people worked in Bradford, and Leeds was a place to go for a naughty night out or to watch Leeds United. The introduction of the quick diesel train service in the 1950s brought a lot of Bradford people to work in Leeds where pay tended to be higher. Now there is much more cross-commuting between the centres, but in West Yorkshire, with its fierce local loyalties, people still prefer to work in their own town if the jobs are there.

Strategy

The Chamber of Commerce believes that the county council should call for the abandonment of industrial development certificates in assisted areas. "While the granting of IDCs has never been a major problem in West Yorkshire, there are undoubtedly cases of firms being persuaded to go elsewhere before they even make an application for a certificate and there is considerable steering . . . towards Humberside."

The report adds that Government industrial strategy is moving to a sectoral approach identifying the shortcomings of individual industries . . . "if that strategy is to mean anything geographical distinction in the form of IDCs ought to be withdrawn at least within the assisted areas."

The Chamber calls for a reduction in the industrial rent burden—which along with other taxes, it says, is one of the reasons manufacturing industry in the U.K. has performed badly at the side of our foreign competitors.

In a brief word on shopping facilities, which it says it prefers to leave to the local chamber of trade, the Chamber of Commerce recognises the difficulties created by hypermarkets and the effect they can have on shopping facilities over a large area. "We would be opposed to the granting of planning permission to a hypermarket in a suburban area or one which was close to a town or city, but could not argue against the provision of a hypermarket site in a totally greenfield area equidistant from a number of cities."

The row that raged recently over the Airedale Motorway—that stormy inquiry was held at Shipley, in West Yorkshire, and only a few miles from Leeds—surprised the planners. And in the light of growing Conservationist Power in the area of highway planning, the Chamber has some interesting remarks to make.

"The county council and the Chamber are on common ground in respect of the need to build Pudsey-Dishforth Motorway west of Leeds. The motorway itself is a missing link on the strategic network for the country . . . it will also provide welcome relief to the radial roads through Leeds.

"The environmental arguments for and against are finely balanced, but in line with our general thesis that industrial growth must be given priority, the arguments must weigh in favour of building the motorway."

The Chamber's memo is an important document. It makes no bones about chasing continuing prosperity for the city of Leeds, but recognises the needs of the county as a whole.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early further gains on retail sales

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 2.

FURTHER GAINS were scored on Wall Street to-day bolstered in part on some strong individual November sales reports by leading Retail Chain Stores.

The Dow Jones Industrial Average further improved 3.16 to 952.54 and the NYSE All Common Index gained aonther 14 cents to $55.17, while rises outdistanced falls by more tha na three-to-two majority. Trading volume further expanded 2.02m. shares to 13.23m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Another positive factor was a staetment by the vice-chairman of the Federal Reserve Board that perhaps an "across the board" general Corporate tax might be helpful at this time.

But some tension was raised on Wall Street following a statement by the chairman of a Congressional Inflation-Monitoring Committee that the Steel and Aluminium price rises may lead to price controls.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Occidental Petrolm.	377,000	21½	+¼
Amer. Tel. Tel.	266,100	62⅛	+⅜
Rohr Ind.	245,500	4⅞	−⅞
America Hess	237,400	27⅞	+⅛
Simplicity Pat.	198,500	9	−1½
Sony	195,000	8	+⅛
Texaco	196,900	25⅝	−⅛
Tomas Nat. Fin.	187,300	9⅞	−⅛
General Motors	178,700	71⅞	+⅛
Central and S.W.	174,100	17	+⅛

Sears Roebuck held unchanged at $70 after reporting its November sales rose 7.7 per cent., while Penney also held unchanged at $55½ although sales were 8.3 per cent. higher. F. W. Woolworth eased $⅛ to $23⅞ despite a 10.7 per cent. sales gain.

Levitz Furniture added $⅛ at $6—its November sales rose 6.3 per cent.

S. S. Kresge were unchanged at $41½, despite reporting a 27.1 per cent. sales rise.

Montgomery Ward, a unit of Mobil's Marcor, reported a 3.7 per cent. sales rise.

Anaconda firmed $¼ to $22¾—it joined other Copper Producers in cutting copper prices 5 cents a pound.

Masco added $2½ at $24⅞—it sold a majority interest in its Royce Electronic Corpn. unit.

Harcourt Brace advanced $1¾ to $29½ and IBM $1⅞ to $273⅞.

Tre Corp added $1¼ on higher earnings and plans to exchange Convertible Subordinated Debentures for up to 2m. of its Common shares.

Harcourt Brace climbed $2 to $29½, IBM $1⅞ to $273⅞, National Presto $1½ to $46⅞ and Apco Oil $1 to $32½.

United Nuclear lost $1½ to $32½, but Texas Instruments put on $1 to $104½ and Superior Oil $4½ to $232½.

THE AMERICAN S.E. Market Value Index rose 20 cents to 99.44 and advances led declines by a five-to-four margin. Trading volume further expanded 210,000 shares to 1.47m., compared with 1 p.m. yesterday.

OTHER MARKETS

Canada higher

All sectors gained ground in moderate trading on Canadian Stock Markets yesterday morning.

The Industrial Share Index rose 1.02 to 165.38, Golds 2.25 to 305.44, Base Metals 0.83 to 74.31, Western Oils 0.52 to 200.80, Utilities 2.12 to 136.86, Banks 1.75 to 220.75 and Papers 1.07 to 103.82.

Canadian Imperial Bank put on $⅛ to $24½ on a raised quarterly dividend.

Brascan were lifted $1⅛ to $12½ on 173,150 shares.

PARIS—Slightly higher in a lacklustre session.

Denain further improved Frs.2.8 to 64.8 on its maintained dividend.

Stores, Electricals, Buildings and Investments were also generally better.

Banks and Foods gave ground while Constructions, Oils and Chemicals were irregular.

BRUSSELS—Narrowly mixed after very slow and listless trading.

Steels finished irregular, most Metals were steady. Electricals and Utilities eased. Chemicals declined a little, while Holdings and Oils were narrowly irregular.

U.S. stocks also were narrowly mixed. South African Golds lower, Dutch, German and French issues all finished irregular.

AMSTERDAM—Easier trend.

Banks and Insurances were steady, Transportations mixed, while Dutch Industrials mostly eased.

Heineken fell Fls.5.50 in brisk trading on fears that the 1975-76 results, which will be published to-day, will be disappointing.

Holec Electrotechnical Equipment were down Fls.1.50 and Pakhoed Holding Fls.3.

State Loans firmed in early active trading but faltered later.

SWITZERLAND—Generally very steady on small selective demand.

Major Banks firmed slightly. Bankgesellschaft Rights, traded for the first time, closed at Frs.168 for Bearer and Frs.24 for Registered.

Financials fluctuated narrowly.

Holderbank Registered and Bearer each lost ground, despite its forecast of satisfactory results.

Insurances recorded minor gains and leading Industrials improved on light buying.

In a moderately active Foreign sector, Dollar stocks were generally very steady, Dutch Internationals little changed, while Germans were narrowly mixed.

COPENHAGEN—Generally higher, with Commodities, Shippings and Industrials slightly firmer but Banks eased.

OSLO—Industrials were barely steady, Insurances and Bankings quiet, while Shippings were mixed.

GERMANY—Most shares lost around a mark on operator position-closing in lack-lustre trading.

Electricals and Stores were mixed.

Thyssen declined DM1.60 on news that its unit Thyssen Niederrhein expects a 1975/76 loss after tax.

Dresdner Bank shed DM0.5, despite reporting total earnings for year would be at the same level as 1975's record earnings.

BMW also eased DM0.50 after announcing a rise in turnover in the first nine months of the year.

Bond Market prices firmed by up to DM0.35, while the Bundesbank sold just over DM20m. nominal of stock. Foreign Mark loans were little changed.

VIENNA—Slightly higher.

MILAN—Generally firm after an active session.

Fiat advanced Lire 325 to 2,020 on Libya's decision to inject $415m. in capital participation and loans into Fiat.

HONG KONG—Higher in moderate trading.

Hong Kong Bank moved up 20 cents to $HK18.40, Hong Kong Land 5 cents to 7.00, Hutchison 2½ cents to 3.125, Jardine 40 cents to 16.80, Wheelock "A" 10 cents to 2.75, Swire Pacific "A" 10 cents to 9.25, China Light 10 cents to 17.90, Hong Kong Telephone 10 cents to 28.00 and Hong Kong and Kowloon Wharf 40 cents to 14.90.

TOKYO—Lower in limited trading, with operators hesitant ahead of the December 5 General Election. Volume 170m. (240m.) shares.

Major Investment Trusts bought selected issues.

Constructions and Housings eased on profit-taking, while Petrochemicals, Ceramics, Steels, Heavy Electricals, Department Stores and Motors also closed lower.

Sony, however, rose Y70 to 2,340 on its higher profit forecast.

Some Foods firmed in connection with the end-year bargaining season.

JOHANNESBURG—Gold shares firmed in late trading, although business was quiet.

Financial Minings were slightly easier. Coppers also were occasionally easier.

AUSTRALIA—Markets rallied on support, partly due to the Union decision to recommend the honouring of current uranium sales contracts.

Among Minings, Peko-Wallsend rose 15 cents to $A3.75, Utah 5 cents to $A4.40, CRA 11 cents to $A2.56 and Pancontinental 20 cents to $A7.90.

Indices

NEW YORK—DOW JONES

	Dec. 1	Nov. 30	Nov. 29	Nov. 26	Nov. 24	Nov. 23	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	949.38	947.22	959.05	956.62	950.96	949.30	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
HomeB'nds*	90.89	90.67	90.39	90.56	90.57	90.54	90.89 (1/12)	85.58 (15/7)	—	—
Transport	227.20	226.12	228.57	228.26	224.57	225.97	[illegible] (14/7)	175.6 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	101.71	101.77	101.89	102.76	101.89	101.26	102.76 (26/11)	84.8 (26/5)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	21,360	17,050	18,750	15,000	20,420	18,980	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Nov. 26	Nov. 22	Nov. 16	Year ago (approx.)
	4.26	4.24	4.35	4.49

STANDARDS AND POORS

	Dec. 1	Nov. 30	Nov. 29	Nov. 26	Nov. 24	Nov. 23	1976 High	1976 Low	Since compilation High	Since compilation Low
*Industrials	114.15	115.77	114.18	115.02	114.26	115.71	120.89 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	102.49	102.10	102.44	103.15	102.41	101.96	107.83 (21/9)	90.90 (2/1)	125.24 (11/1/73)	4.40 (1/6/32)

	Nov. 24	Nov. 17	Nov. 10	Year ago (approx.)
Ind. div. yield %	3.77	3.84	3.89	3.69
Ind. P/E Ratio	11.54	11.35	11.14	11.97
Long Govt. Bond yield	6.33	6.36	6.36	6.10

N.Y.S.E. ALL COMMON

Dec. 1	Nov. 30	Nov. 29	Nov. 26	1976 High	1976 Low
55.05	54.86	54.69	55.53	57.51 (21/9/76)	57.06 (2/1/76)

Rises and Falls	Dec. 1	
Issues Traded—1,895	Up—889	
Down—528	Same—478	
New Highs 87	New Lows 12	

	Dec. 1	Nov. 30	Nov. 29	Nov. 26	1976 High	1976 Low
MONTREAL Industrial	162.89	161.34	162.13	165.45	207.56 (19/8)	161.34 (30/11)
MONTREAL Combined	165.62	162.16	165.45	164.65	188.78 (20/5)	162.16 (30/11)
TORONTO Industrial	164.36	162.72	163.75	164.92	197.45 (20/2)	162.72 (30/11)
JOHANNESBURG Gold	171.7	170.9	169.4	171.1	226.7 (12/5)	11[illegible]
JOHANNESBURG Industrials	174.0	173.6	176.8	174.6	[illegible] (21/5)	173.6 (30/11)

	Dec. 2	Previous	1976 High	1976 Low
Australia (a)	407.32	407.90	522.65 (19/8)	404.29 (26/11)
Belgium (b)	92.91	93.45	115.18 (5/2)	87.13 (26/10)
Denmark (d)	96.87	96.48	117.70 (19/8)	96.48 (1/12)
France (e)	52.0	51.5	74.5 (3/3)	51.5 (1/12)
Germany (f)	722.3	722.4	821.7 (17/5)	687.1 (28/10)
Holland (g)	81.8	82.6	105.5 (6/2)	77.9 (15/10)
Hongkong (h)	402.22	398.25	465.53 (17/6)	354.5 (2/1)
Italy (k)	72.01	70.80	91.57 (23/2)	64.94 (10/11)
Japan (m)	346.56	345.95	369.61 (1/9)	326.2 (2/1)
Singapore (n)	(c)	246.02	286.16 (5/2)	236.5 (2/1)
Spain (p)	77.56	77.14	100.78 (1/3)	72.32 (11/11)
Sweden (q)	383.48	385.20	476.85 (10/6)	382.21 (3/11)
Switz'rl'd (r)	269.1	267.3	298.6 (1/3)	263.2 (15/11)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp 31/12/58. (u) Unavailable. † Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax. ♦ DM50 denom. unless otherwise stated. ♥ Ptas 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ϕ Frs.500 denom. unless otherwise stated. * Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Pound improves

Sterling gained ground against the U.S. dollar and other major currencies in the foreign exchange market yesterday, although it failed to maintain its sharp rise in early trading. Continued confidence that the U.K. will secure a loan from the International Monetary Fund helped to support the pound and this was reinforced by the increase in the official reserves during November. The pound opened at $1.6630-1.6640 and touched a best level of $1.6710-1.6720 in early trading. It eased to $1.6650 at mid-day and fell to a worst point of $1.6610-1.6620 in the afternoon, before closing at $1.6640-1.6650, a gain of 15 points on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, narrowed to 44.8 per cent. from 44.9 per cent., after standing at 44.8 per cent. at noon and 44.5 per cent. in early dealings.

The U.S. dollar's trade-weighted appreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 0.12 per cent. from 0.33 per cent. The U.S. unit was steady against most European currencies, but lost ground in terms of the Canadian dollar, which closed in London at 97.16¼ U.S. cents compared with 96.62½ U.S. cents on Wednesday.

Gold rose $½ to close at $130¾-131¼. The krugerrand's premium over its gold content narrowed to 2.98 per cent. from 3.35 per cent. in the domestic market, and to 2.58 per cent. from 3.35 per cent. for international delivery.

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Dec. 1	Nov. 30
Sterling	0.690294	0.687537
U.S. dollar	1.14866	1.14989
Belgian franc	42.2962	42.3910
Deutschemark	2.77261	2.76509
French franc	5.74411	5.74105
Italian lira	994.099	995.169
Japanese yen	340.919	340.059
Dutch guilder	2.89000	2.88490
Swedish krona	4.81744	4.81717
Swiss franc	2.81534	2.80901

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 2	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.415 416	[illegible]	[illegible]	4 023 027	98 0 07	98.29 36
N. York †	41.40-42	—	20.02-04	2,717-720	1.663-664	[illegible]	40.77-78
Paris	[illegible] 6 845 245	4.995 005	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	15 25 26	[illegible]	[illegible]	—	61 35-45	[illegible]	14.98 15.01
London	4 01½ 02½	[illegible]	[illegible]	61 25 45	—	4.18 9	[illegible]
Am'rd'm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	101 66 75	[illegible]	49 14 17	[illegible]	[illegible]	[illegible]	—

U.S.$ in Montreal. U.S.$=103.30-34 Canadian cents. Canadian $ in New York. C$=96.78-80 U.S. cents. U.S.$ in Milan 865.25-865.75. Sterling in Milan 1441.0-1441.5 † Rate for Dec. 1

EURO-CURRENCY INTEREST RATES*

Dec. 2 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	15 15½	4⅛ 4¾	8-9	7-7½	4⅝ 5	par-⅛dis
7 days notice	15¼ 15¾	4⅝ 4⅞	8¾ ⅞	7-7½	4¾-5	par
Month	15⅛ 16⅜	4⅝ 5	8⅞ 9⅛	7⅛ 7⅝	[illegible]	1⅛ 1⅝
Three months	15⅞ 16⅜	[illegible]	8⅞-[illegible]	6⅞ 7⅜	[illegible]	1⅞-2⅛
Six months	15¼ [illegible]	5¼-5½	[illegible]	6⅞ 7⅜	[illegible]	[illegible]
One year	14¾ [illegible]	5⅛ 5⅝	[illegible] 8⅞	6⅝ 7⅛	5 5⅛	2⅜-2⅝

Euro-French deposit rates: two-day 10¾-11½ per cent.; seven-day 10¾-11½ per cent.; one-month 11¼-11¾ per cent.; three-month 12¼-13¼ per cent.; six-month 11¾-12¾ per cent.; one year 11¾-11¾ per cent.

Longer-term Eurodollar deposits: two years 6¼-6½ per cent.; three years 6¾-7⅛ per cent.; four years 7¼-7¾ per cent.; five years 7½-8¼ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 4 13/16-4 15/16 per cent.; three-month 4 15/16-5 1/16 per cent.; six-month 5-5¼ per cent.; one year 5¼-5½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. ‡ Following 17.5 per cent. devaluation. "dis" Discount.

GOLD MARKET

[illegible]

FOREIGN EXCHANGES

[illegible]

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—118⅞% (119%).

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ♦

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

MILAN

Dec 2	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	475	−11	—	—
ANIC	399	+13	—	—
Ausonia Fin.	5,060	+20	120	4.3
Bastogi	898	+1	—	—
Breda	1,950	+40	165	7.8
Burgo	8,3[illegible]0	+80	—	—
Cantoni	5,505	−95	—	—
CIGA	1,5[illegible]0	+49	—	—
Cucirini	4,700	+90	235	4.9
Dalmine	638	+18	75	1.0
Erba	1,650	+49	—	—
Fiat	2,020	+325	100	5.7
Do. Priv.	1,301	+182	100	1.0

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND ♦

[illegible]

COPENHAGEN ♣

[illegible]

VIENNA

[illegible]

AUSTRALIA

Dec. 2	Aust. $	+ or —
ACMIL	†0.56	−0.0[illegible]
Acrow Australia	†0.62	.....
Adelaide Brighton Cent50c	†1.16	+0.01
Allied Mntg-Trdg.Indus.$1	†1.98	+1.06
Ampol Exploration	†1.0	.....
Ampol Petroleum	†0.62	+[illegible]
Assoc. Minerals	†2.20	.....
Assoc. Pulp Paper $1	†0.70	.....
Assoc. Con. Industries	†1.27	−0.06
Aust. Foundation Invest.	†0.81	+0.01
A.N.I.	†1.08	+1.08
Aust. Oil & Gas	†0.09	.....
Blue Metal Ind.	†0.70	.....

[illegible]

TOKYO ¶

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

BRAZIL

[illegible]

JOHANNESBURG

[illegible]

SPAIN ♥

[illegible]

FINANCIAL TIMES SURVEY
Friday, December, 3 1976.

Trade with China

Prospects of a more active role by China in world trade seem to have brightened since the formation of the new government under Chairman Hua Kuo-feng. This is welcome news for the major trading nations, which have for years eyed the enormous potential of this market with some longing.

New regime looks outward

By Colina MacDougall

THIS HAS been a traumatic year for China. It has marked the end of the old order and the uncertain threshold of the new. In the past 11 months the two giants of the Chinese Communist Party, Chairman Mao Tse-tung and Premier Chou En-lai, left the scene for ever. China's austere and sedate capital, Peking, was the scene of a violent demonstration in the spring when the crowd burned vehicles and sacked a Government building.

The political pendulum swung violently back and forth. Chairman Mao's heir apparent of last December, moderate Vice-Premier Teng Hsiao-ping, was overthrown. Most startling of all reversals, after Chairman Mao's death in October his wife Chiang Ching and her assistants were arrested by the new leader, Hua Kuo-feng. Among these ups and downs came a disastrous earthquake (many in China must have thought it a portent) in which 100,000 died and vital factories and mines were destroyed.

The new Chairman and Premier, Hua Kuo-feng, was unknown outside his province five years ago and only began to make an obvious mark on national politics last year. What kind of Government he will run is not yet clear. He retains a great deal of power in his own hands, and he has an obvious understanding with the army. Perhaps the political dramas are not over yet.

But Hua certainly seems to have put into reverse the radical policies of permanent revolution and rejection of foreign technology which have dominated the Press since the spring. Just a few days after he took office the official Chinese news agency announced that China would "resume and expand" its trade links with other countries. Last week, in a forceful People's Daily article, the leadership made a detailed defence of the policy of importing foreign technology. It called it highly beneficial to China and legitimised it by calling it Chairman Mao's plan.

Hurry

To-day China gives the impression of a nation in a hurry. There have been two nuclear tests since Chairman Hua took over. Marx is approvingly quoted to the effect that "a nation will perish if it stops working even for a few weeks, let alone a whole year." The stress is on advanced technology, and the very words of Premier Chou's speech in January last year, "to build China into a powerful socialist country with a modernised agriculture, industry, national defence and science and technology before the end of the century" have been echoed and re-echoed. Perhaps more important, the plan has been attributed to Chairman Mao, significant in view of the fact that it disappeared from the scene during the radical interregnum.

The first step in Premier Chou's grand strategy was to be the fifth five year plan, which was due to begin last January. The political upheavals seem to have delayed it, and though it may now be under way, no information has been published. What seemed likely to be one of its most important features, the agricultural mechanisation programme, has again become a topic of regular news after its apparent banishment by the radicals.

Agriculture is the biggest problem of the Chinese economy, since output has been rising only slowly in recent years. There is some doubt that even the extra fertiliser from the foreign plants now being built in China will make much difference to grain output. Many crops, some experts believe, already receive the optimum amount of nutrient from traditional manures.

More earth-moving machinery, tractors and the like seem a possible realm for investment as a result. Up till now Peking has largely relied on its own efforts in this field but last year the Chinese bought some farm equipment from the U.S., looked at more this year, and told European traders as well that they were interested.

Otherwise the five-year plan seems likely to continue building on the foundations Peking has already laid down. That means steel, fuels, chemicals, transport and communications and synthetic textiles. Purchases from abroad to speed it up might include more mining equipment, iron and steel processing plant, chemical plants, and ancillary equipment for transport like airport control plant, as well as oil drilling and exploration gear, especially for the offshore industry. Certain kinds of electronics, radio and TV equipment and computers also seem likely to figure.

TRADING PARTNERS
($m.)

	Exports (fob) to China 1975	Exports (fob) to China 1976 (Jan.-June)	Imports (cif) from China 1975	Imports (cif) from China 1976 (Jan.-June)
Belgium/ Luxembourg	47	30	45	27
Denmark	22	9	22	12
West Germany	523	388	223	129
France	373	201	174	100
Ireland	*	—	3	2
Italy	145	74	129	76
Netherlands	134	31	81	42
U.K.	178	81	132	77
Austria	30	8	13	9
Finland	15	14	23	5
Greece	2	*	1	3
Iceland	11	—	*	*
Norway	108	17	8	4
Portugal	*	*	1	*
Spain	23	11	34	29
Sweden	42	17	47	23
Switzerland	57	31	31	19
Turkey	2	2	22	1
Canada†	371	112	55	37
U.S.†	304	120	171	99
Japan	2,258	1,081	1,529	603
Australia†	326	141	86	46
New Zealand	15	9	13	7
TOTAL OECD	4,986	2,427	2,843	1,349
Hong Kong	34	12	1,372	732
Singapore	40	13	273	126

* Less than $500,000. † Imports fob.
Sources: OECD figures and partner country statistics.

The foreign contribution is still likely to be small in volume compared with the total Chinese construction. Yet it will continue to be worth far more than its size or even its cash value suggests because of the technology content. The Chinese can move straight into the 1970s when they buy a complete plant from the 1950s (or even 1930s) level of most of their other industry. They learn a great deal from the foreign equipment they buy, and the training their engineers are now receiving as part of the deals is priceless.

This policy came under withering fire from the radicals, particularly where the payment was derived from the export of China's raw materials. It must have been a difficult policy for the moderates to defend since in the past three years China has been short of foreign exchange. After the dismissal of Vice-Premier Teng in April, the radicals seem to have been able to overturn it, since despite several deals with West Germany and Japan before that, no further agreements were made on others already under discussion.

Disentangling the political from the economic motives in the trade policy is extremely difficult. China in any case would have had to cut back on purchases, as it has done, because of its growing deficit. As for the sale of raw materials, China's oil exports seem to have been a field where radical policy and economic considerations were inextricably intertwined. In negotiations this spring the Japanese were ostensibly hoping to make a long-term oil agreement and also to buy more than last year, but neither wish came to fruition.

How far the Chinese did not want to sell because of radical influence or because, as Vice-Premier Li Hsien-nien said, their domestic needs were expected to rise fast is not clear. Nor is it certain that the Japanese really wanted to buy, since the waxiness and high heavy oil fraction of Chinese crude makes it undesirable in Japan. In the event, no long-term agreement was signed. The total amount of oil agreed for sale this year is only 6.8m. tons compared to the 7.9m. tons purchased by Japan last year.

It is difficult to see what other exports the Chinese could increase quickly. A high proportion of their sales consist of agriculture-based products, and it is not easy to boost these rapidly. At the last Canton Fair the demand for Chinese products was strong but there were simply not enough to go round.

Limited

Perhaps the Chinese will try more barter deals, like the coal-for-mining machinery one discussed last winter with West Germany. In the new climate in Peking, this might surface again. A drastic change in China's borrowing policy, at present limited to the acceptance of deposits from foreign banks and the use of the deferred payments system on some purchases, seems very unlikely. Until these difficulties are solved, China's imports are not likely to increase very much.

Half-year figures for partner countries' trade with China during 1976 suggest that the value will not be much above the level of the past two years. That was around U.S.$14bn. Within that amount, though, the pattern has changed a great deal. The 1974 deficit of about $1.3bn. on convertible currency trade was reduced to about $700m. last year, and that will probably fall further this year as Chinese exports slowly rise.

The composition and the source of China's imports have also altered. Three years ago it was buying more grain than ever before, 7.6m tons in 1973 and 7m. in 1974. Purchases dropped to 3.3m. tons in 1975 and will probably be 2.5m this year. In the first half of 1976 the Chinese reduced their deficits with the major grain exporters (Australia, Canada and the U.S.) to under $200m. compared with nearly $700m in the whole of 1975.

Europe has been the beneficiary of this. Its share of China's imports rose from a quarter to nearly a third last year. Half-year figures for 1976 show it at nearly 40 per cent. But it remains to be seen whether Chairman Hua can continue the concentration on purchases of machinery to the near exclusion of food. With successful agricultural mechanisation, reasonable harvests and modest incentives to the peasants, the policy might work. If not, hunger in Shanghai and other mighty cities of the East would prove the worst of his many intractable problems.

Hong Kong, Singapore are big outlets

WITHOUT Hong Kong, and to a lesser extent Singapore and Malaysia, China's foreign currency bank balance would be even further in the red than it is. Last year Hong Kong contributed a staggering $1.3bn. to Peking as the balance on its trade. Singapore added another $233m. and Malaysia $100m. On top of this went at least another $300m., earnings from China's numerous and growing enterprises in the British-ruled territory.

Together the three took nearly a quarter of China's total exports last year, and, more important, nearly 30 per cent. of China's total sales to the non-Communist world. Without them, China's outward-looking trade policy would be nowhere. Peking would simply not have the money for U.S. fertiliser plants, German and Japanese steel mills and French chemical complexes.

Insurance

The dependence is mutual. For Hong Kong, living on the doorstep of what is literally its big brother, this has always been an insurance policy. Residents of the colony are remarkably unconcerned about its truly enormous imbalance of trade with China. Last year China supplied Hong Kong with 85 per cent. of its pigs, 45 per cent. of its live poultry, 48 per cent. of its fresh vegetables, 55 per cent. of its rice and 90 per cent. of its freshwater fish. This year imports from China seem likely to exceed last year's by another $100m. or so, yet another golden egg from the prosperous capitalist goose.

Hong Kong is a completely irreplaceable element in China's trade. Fresh food items, which probably constitute about half China's exports, are simply not saleable elsewhere. The logistics of export to Hong Kong are simple, too, with none of the fiddly regulations which affect, for instance, shipment to the U.S. Livestock and vegetables are easily despatched by train, ship or even where appropriate, on the hoof.

The whole process only takes a few hours; cabbages barely wilt and pigs lose little weight. South China has been supplying Hong Kong almost since settlement there first began. Although refrigeration and more sophisticated methods of transport have introduced a few refinements the process is still basically the same.

As Hong Kong's population has grown and prospered, the trade has expanded. Since the advent of a Communist Government in China, the system has tightened up, so that political pressures can be exerted through the marketing network. But in periods of good relations—which in fact covers the past 27 years, with awkward patches only during the 1966-69 Cultural Revolution—it has worked well.

About half China's exports to the colony consists of textile items, much of them for processing and shipment elsewhere. In times of world recession these normally face a decline, but as this year Hong Kong's exports are 36 per cent. up on 1975, China must be doing very well.

One new item has recently entered the trade. Last year China began to ship noticeable quantities of oil products to Hong Kong. Already 5 per cent. of the total, this could in due course become very big business, particularly as the Chinese have now bought a storage depot in the New Territories.

Already they have taken over more than half the kerosene market. Last year they had nearly half the colony's diesel market, though they have now slipped back behind Singapore. Quantities for 1976 do not seem likely to exceed last year's by much, perhaps because of political pressures in China against the export of raw materials.

Peking's other money-making activities in Hong Kong seem to be expanding fast. One recent estimate puts its offtake at a minimum of $300m. a year. The importance of its banking sector is growing as it makes a point of attracting deposits. As its export trade increases, so do all the ancillary services — warehousing, transport, insurance, shipping and even retail.

Presumably as Hong Kong grows more affluent, the remittances from Chinese in the colony to their families in China also rise, though this may be offset by the loosening of bonds as the older generation dies off. But Peking is looking for new ventures; recently it bought a site for a machine tool and equipment plant where it plans to make cement and sugar refining gear for export to South East Asia.

The attitude of the Hong Kong Government to the Chinese has always been strictly pragmatic. The rules of the game are well understood by both sides and both are careful not to infringe them. Since the Cultural Revolution, relations between the British "authorities" — the Chinese do not call it a Government — and the semi-official Chinese presence have grown considerably more cordial than they were in the 1950s and 1960s. Peking representatives now attend the enormous traditional Queen's Birthday garden party, while recently the Governor paid a formal visit to the local headquarters of the Peking presence to mourn Chairman Mao Tse-tung.

Mixture

Singapore's situation is very different. As an independent State geographically separated from China, it has been a feasible proposition to sever the cultural and filial bonds that join most of its people to the Middle Kingdom. Its population, though predominantly Chinese, is a mixture of races, and its contacts with China are very much less than Hong Kong's. Unlike Hong Kong, which actively seeks to keep the Soviet Union out to avoid alarming Peking, Singapore encourages a modicum of Russian presence to balance the Chinese element.

When Prime Minister Lee Kuan Yew visited Peking this summer he stressed the separateness of Singapore by speaking entirely in English (though if he had spoken in Mandarin at the banquet in his honour he would have been more easily understood by the Chinese present than his provincial-born host, Premier Hua Kuo-feng).

Mr. Lee's visit was one in a series by leaders of the ASEAN (Association of South-East Asian Nations) countries to China, brought on by the new awareness that as the U.S. withdrew from the region, they would need to rationalise their attitudes to Peking. He had been preceded by missions from Malaysia, the Philippines and Thailand, all of which led to the setting up of diplomatic relations.

But Singapore held back from this step, mainly because it did not wish to alarm Indonesia, whose relations with China have been frigid ever since they were ruptured in 1965. Mr. Lee's most important achievement of the trip was to get Premier Hua to put on record his agreement not to intervene in Singapore's internal affairs, thus undermining Singapore's troublesome Left wing.

In general, lack of diplomatic relations has not hampered trade. The mechanisms for Chinese exports have existed for years. There are Chinese banks and insurance companies, and the island State has imported food and light industrial consumer items like plastic ware and clothing for a long time. But the traffic in the other direction is small, and where Mr. Lee's visit may have helped is in stimulating Chinese interest in Singapore shipyards and industry. During his visit to Peking the Chinese reportedly agreed to buy 20,000 trucks.

So far Singapore's sales to China consist almost entirely of crude rubber ($10m. out of a total of $17m. so far this year). Much of the rest is made up by postal packets sent presumably by Singapore Chinese to their relatives back home. But as Singapore becomes more and more a centre for the South East Asian off-shore oil industry it has growing experience to offer Peking. A mission from China visited Singapore last winter to look at shipyards, though this was not altogether a success. It placed an order with a "fraternal" company that did not have the necessary expertise and engineers from China had to be brought out to supervise.

Obviously the Chinese communities living beyond China's borders make a substantial contribution to Peking's economic health. In due course this may evolve towards providing technology as well as hard cash. Singapore has a future in its oil expertise and Hong Kong in its general manufacturing ability and trade experience which Peking is beginning to use more fully. If China continues along the pragmatic path both territories could evolve a new kind of economic relationship.

Colina MacDougall

The border crossing at Lo Wu between China and Hong Kong, which last year took $1.3bn. of the Republic's products.

Lingering obstacles to U.S. exchanges

DR. KISSINGER'S pursuit of detente with Russia and the long-drawn-out electoral process in the U.S. has meant an extended pause in the growth of U.S.-China relations. But with new governments now in both Peking and Washington this may change in the New Year.

Whether President-elect Carter will respond to pressures to abrogate the U.S. defence treaty with Taiwan, as he will have to before relations with Peking can be "normalised," remains to be seen. At present the Chinese say they are much more concerned with the threat, as they see it, from the Soviet Union than they are with their differences with Washington.

Nevertheless, the U.S. has been preparing itself for recognition of Peking. Congress has voted enough funds for Taiwan to build up its own defences. It is an indication of the Chinese desire to maintain good relations with the U.S. that they have waited patiently through these manoeuvres for a suitable moment to reopen negotiations.

Naturally, U.S. firms are hoping that when diplomatic relations with Taiwan are broken, commercial ties may remain. U.S. trade with Taiwan last year was $3.5bn., compared to $475m. with China. Japan succeeds in running trade with both Chinas, and so do other countries. A good deal depends on the tact with which it is done.

Unfortunately, the obvious drive by the Taiwan lobby in the U.S. has caused some embarrassment. Union Carbide, which joined the new "U.S.A.-Republic of China Economic Council," inaugurated to look after Taiwan interests, was left off a delegation sent by U.S. chemical companies to China. Chinese officials gave as the reason its membership of the new council. This kind of guerilla warfare seems likely to continue until Peking feels confident enough to turn a blind eye.

Recently the performance of Sino-U.S. trade has not been spectacular. It is still on the way down from its 1974 peak of $934m. It seems unlikely to exceed about $440m. this year. The trade is still surprisingly ad hoc. No real pattern has yet emerged in the four years it has existed.

Emergency

Possibly this is related to the political situation between the two countries; more likely it has resulted from China's own economic problems in the past few years. The U.S. seems to have taken on the role of emergency supplier, originally of grain and soyabeans ($374m. in 1974), then of cotton ($219m. in 1974 and 1975), and last year and this, of aluminium (together so far $65m.).

The return trade has been equally variable; from minimal amounts China pushed up its sales of tin ($40m.) and textiles ($30m.) last year, but has dropped them almost completely now.

This year U.S. exports have diversified much more into industrial equipment (much of it for the eight Kellogg ammonia plants at present being built in China) but one may wonder what will come next when these deliveries are finished.

Trading is certainly more difficult without diplomatic relations. Although the U.S. would like to put on a major exhibition in Peking to stimulate sales, this is unlikely to be possible until the countries are on a proper diplomatic footing. Given the time required to organise that kind of show, it is not likely to take place before the end of 1978 or even 1979. In the meantime, several Chinese delegations have visited the U.S. The most important was probably the agricultural machinery group which could well have purchases seriously in mind.

A reciprocal Chinese exhibition in the U.S. cannot be held until the "claims/frozen assets" problem is solved. The claims are those arising from the seizure of American property in China after 1949; and the frozen assets are the Chinese *funds held in the U.S. since that* time. They amount to $200m. and $80m. respectively. In the meantime, Sino-U.S. trade has to be handled through third country banks which, as one businessman pointed out, multiplies several times over the paperwork as well as the chances of mistakes and delays.

However, when the president of the National Council for U.S.-China Trade visited Peking last summer, he was told that it would not be necessary to wait for "normalisation" of relations to solve the claims/assets problem, and that once solved ordinary banking ties could be instituted. This was a hopeful sign.

In spite of the difficulties, the U.S. has one factor on its side. Its trade with China has come almost into balance, and its imports are showing a healthy rise. This is surprising considering the difficulties they face. Imports from China attract a tariff that averages about 24 per cent. compared to the 8 per cent. or so that goods from countries that benefit from most-favoured-nation treatment are assessed at.

Undoubtedly this is a matter the Chinese will want to review when the question of their mutual relationship comes up. In the meantime, however, imports of antiques from China nearly tripled in the first half of this year, while shrimps multiplied 25 times. Fireworks doubled, and baskets and bags rose by 50 per cent. Chinese goods are doing well in spite of their handicaps.

Although greater familiarity has made the trade easier, U.S importers still complain about the problems of doing business with China. Shipping delays are common, and several large stores have been left with the embarrassment of running a promotion campaign for Chinese arts and crafts without actually having the jewellery or carvings in stock. Some traders complain of lack of information and poor documentation of consignments. Some grouse about poor labelling, while others report decomposition and "the presence of insect fragments."

Yet there is very great enthusiasm for the China trade. The National Council is enormously active and considerable money is invested in commercial research. The U.S. Government has strengthened its trade services to would-be buyers and sellers, and the giant American manufacturers are gearing up to take advantage of whatever opportunities offer.

In view of the Kellogg sales of

CONTINUED ON NEXT PAGE

Japan still No. 1 supplier but trade is down

THIS YEAR has been the least successful for Sino-Japanese trade since the two countries established normal diplomatic relations in September 1972. Japan's exports to the People's Republic in the first nine months of the year came to only $1.4bn., compared with the corresponding figure of $1.6bn.

If the figures for the second and third quarters of the year are looked at individually and compared with the 1975 results the situation looks even worse. In the April-June quarter Japan sold to China only 69 per cent. of what it had sold a year earlier, while in July-September the percentage was 68 per cent. During these two quarters taken together China was Japan's tenth largest export market, ranking below Hong Kong and Taiwan. By contrast, for a brief period at the beginning of 1975 (the first three months of the year to be exact) China was the second biggest Japanese export market, immediately behind the U.S.

The figures for Japanese imports from China look just about as dismal as the export figures. Imports from January to September this year totalled $938m. against the corresponding 1975 figure of $1.25bn. A major element in the import decline was reduced Japanese purchases of Chinese oil. These were worth $386m. in the first nine months of 1976, down from $498m. in the corresponding period of 1975.

The reasons for Japan's poor export performance to China (which, however, still leave it as easily the largest overseas supplier to the People's Republic) appear to have had something to do with China's own political problems, but also quite a lot to do with China's concern about its imbalance with Japan.

The Japanese steel industry, for which China is normally the second largest export market, claims that political upheavals in Peking interfered with its spring series of negotiations with the Chinese and resulted in China buying only 600,000 tons of steel during the first half of the year instead of the 1.2m. tons which would have been normal.

Politics

Chinese spokesmen appear to have indirectly confirmed Japanese theories that politics have been getting in the way of smooth Sino-Japanese trade relations. Japanese missions to Peking have been told that the Chiang Ching radical group hindered trade with Japan by opposing the chartering of ships (which the radicals called "fawning on foreign shipowners," by insisting that inland transport should be used for carrying people instead of goods and by opposing the export of raw materials to earn foreign exchange for the import of manufactured goods.

The removal of the radicals should have eliminated these problems—which should mean in turn that an improvement in Japan's exports to China can be expected in due course. Some Japanese sources anticipate that the upturn could start to be noticeable by around the middle of next year (although the Japanese steel industry is already almost back to "normal" with this autumn's Chinese steel orders and estimated Japanese sales at the autumn Canton Fair of around $100m. against the spring figure of $78m.

Talk about an "upturn" or "a return to normal" in Sino-Japanese relations leaves out of account, however, the second factor in the situation—China's apparent concern at the overconcentration of its trade with Japan and the large imbalance it has run in some recent years.

The Chinese have apparently stressed their concern about the imbalance in recent talks with the Japanese, although there has been no explicit admission from Peking that the imbalance was a reason for deliberately cutting back on Japanese imports. The figures for China's trade with Europe, which show a remarkable increase in imports this year from several EEC countries, would seem to underline the point that Japan's problems with China this year have not been solely due to political problems inside China.

China and Japan appear to agree that the way to eliminate the trade imbalance is for Japan to import more from China. One way of doing this would be to step up Japanese imports of Chinese oil, but there are snags about this which could take time to sort out. China is believed to have stated that it could supply Japan with 15m. tons of crude oil a year, or rather more than double the present amount. Japan, however, can only use this quantity of oil if its domestic refining industry makes costly investments in plant which would be needed to deal with some of the special peculiarities of Chinese crude.

The Japanese are unwilling to do this until they have convinced themselves that China will be a reliable and consistent supplier — something which there may be some reluctance to assume in the immediate aftermath of this year's Chinese political upheavals. Apart from that, the Japanese economy itself will have to recover fully from the recent two-year recession before the refinery industry feels able to fund the necessary investments.

Apart from oil, Chinese coking coal is a subject of strong interest to the Japanese steel industry (which is worried about the world-wide availability of this commodity). The Japanese believe, however, that it will be years before China can develop its mining industry sufficiently to have a major export surplus. Thus coal cannot be relied upon to make an immediate impact on the trade problem between the two countries.

This leaves Chinese agricultural products (including soybeans) which the Japanese would like to import in larger quantities and which the Chinese may be willing to supply. The prospect for early recovery in Sino-Japanese trade relations next year could thus depend rather heavily on the ability of China to step up its farm exports.

Pickers in the tea gardens—a traditional sector of Chinese agriculture.

Charles Smith

Far East Editor

Useful barter with the Soviet bloc

DESPITE the bitter insults that the Chinese hurl at the Soviet bloc, they find their mutual trade surprisingly useful. Although China buys its most advanced technology from the West, it gets a large amount of heavy industrial equipment from the fraternal countries. For this it pays in kind. This is a great economic relief as it has been extremely short of convertible currency for the past three or four years.

Under what are virtually barter arrangements, it exchanges agricultural products and mineral raw materials for really quite useful aircraft parts, trucks, machine tools and ships. Recently it was reported buying Polish helicopters and seeking 500 Hungarian trucks.

TRADE WITH OTHER COMMUNIST COUNTRIES

($m.)

	1975 Exports	1975 Imports	1975 Balance	1974 Exports	1974 Imports	1974 Balance
Total (estimates) of which	1,360	970	+390*	1,430	1,010	+420*
Romania	220	220	—	180	165	+ 15
Soviet Union	140	140	—	140	145	− 5
East Germany	95	85	+ 10	80	75	+ 5
Czechoslovakia	74	72	+ 2	50	55	− 5
Poland	50	42	+ 8	44	44	—
Hungary	34	35	− 1	30	30	—
Yugoslavia	20	10	+ 10	30	120	− 90
Bulgaria	10	13	− 3	10	10	—

* Includes sizeable Chinese surpluses with Albania and Asian Communist countries.
Source: Current Scene, September, 1976.

In terms of actual money the trade does not seem large. Last year it was only a sixth of China's world total of $14bn. That, however, was 24 per cent. above the previous year's. But until last year many of the commodities were undervalued because of the fixed price system which had operated since 1958. Under this, prices stayed at the level at which a commodity had first entered the bilateral trade. The automatic use of this price in subsequent years facilitated quick agreement on individual contracts, but meant that some prices had not changed for nearly 20 years. The Chinese asked last year that prices should be calculated at international market levels, which means that inflation has now begun to affect the figures. In reality the volume of China's trade with the Soviet Union last year may have declined.

In fact the actual figures are only a rough guide to the amount of trade. One unofficial report from the Soviet Union says that trade with China is worth about $600m., a very different sum from the $280m. reported for last year. In the first half of 1976 the published figure was $170m., which may be getting somewhere nearer reality.

Romania is China's largest Communist trading partner. This reflects the good relations between the two countries, though these may perhaps cool somewhat if Romania now re-enters the Comecon fold. Owing partly to the new element of inflation, trade last year jumped 28 per cent. over 1974, including a $70m. oil-for-fertiliser swap. The 1975 bilateral trade agreement provided for Romania to ship $35m. of geological and petroleum exploration equipment, twenty 2,100 h.p. locomotives and 250 machine tools.

The Soviet Union, second to Romania, officially scored $280m. in trade with China, last year evenly divided between imports and exports. Three quarters of Soviet exports consisted of industrial equipment and manufactured goods, including aircraft, 200MW electric generators, heavy duty trucks, steel and spare parts.

East Germany, next in line, increased trade by 23 per cent. selling ships, locomotives, motor vehicles and capital goods. Czechoslovakia's exchanges rose by nearly 50 per cent.; its exports consisted mainly of machine tools, trucks, mobile cranes and vehicles. Poland too supplied industrial goods, including coal-mining equipment, machine tools, forklifts, excavators and electrical machinery.

Yugoslavia's trade, boosted in 1974 by spectacular sales of ships, last year fell away almost to the level of Bulgaria's, which with a total of $23m. was the poor relation. Nevertheless its exports were useful; they consisted almost entirely of machinery and urea.

Chinese exports to all these countries are largely food and light industrial consumer items. Rice, soyabeans, textiles and footwear figured, as did nonferrous metals and minerals.

Obviously this is a very bread-and-butter trade, but there is no question that China finds it useful. It now has a five-year agreement with Romania covering oil-drilling equipment as well as machine building gear, trucks, locomotives, ball-bearings and chemicals. An agreement in principle with the Soviet Union to conclude a similar arrangement has also been reported. More arguments seem likely in future, however, as questions of international price will increasingly dominate discussions.

At present the Chinese reason that East European machinery is over-priced because it is less advanced and less efficient than comparable Western models, while the East Europeans say that Chinese rice is too expensive. Since the Chinese proposed the new system, they are sure to think that they will profit from it. With their devloped trading sense, they could well be right. While they are unlikely ever to switch much more of their trade towards Eastern Europe, they are probably getting their money's worth out of what there is.

C. M.

Lingering

CONTINUED FROM PREVIOUS PAGE

plant and technology in 1973, the Chinese obviously have no objection to large-scale deals with American groups, the presence of American engineers on Chinese soil, or to sending Chinese to the U.S. to be trained.

American technicians and their families went to the Kellogg sites in China to supervise erection and start-up of the plants, and this appears to have worked out smoothly. The Americans were restricted to the vicinity of their sites, but appear to have fraternised to some degree with the locals. There were no unfortunate incidents such as occurred on British sites in China in the early stages of the Cultural Revolution.

The Chinese teams who went to Houston for training at the Kellogg establishment there kept a low profile, doing their own cooking in residential hotels and emerging occasionally to play ping-pong with passing students.

The U.S. has much to offer China in the way of technology, particularly in offshore oil, heavy construction machinery, heavy farm equipment, trucks, petrochemicals and computers. In the long run, if the political problems between the two countries can be satisfactorily resolved, more fruitful co-operation could probably be built on the Kellogg experience.

C. M.

TRADE WITH CHINA IV

Europe a favourite partner

CHINA HAS not made quite the splash this year as it did last with its invitation to European leaders, though the EEC still remains a cornerstone of its effort to contain the spreading power of the Soviet Union. Instead this is going to be Europe's year for trade with China: exports have soared above last year's record, and even imports are up somewhat.

In 1975 Europe accounted for about a third of all China's purchases from the non-Communist world, compared to less than a quarter in 1974. The success story is the result of the huge purchases of steel and chemical plant the Chinese made in 1973 and 1974 which have been delivered over the past eighteen months. In the reorientation of China's trade which has accompanied reduced grain purchases, Europe has profited enormously.

The European countries have a particular usefulness for Peking. It can easily avoid becoming dependent on one nation by spreading its purchases around. Since its traumatic experience with the Soviet Union in 1960 when for political reasons Moscow halted all its aid and pulled its technicians out of China, Peking has liked to avoid the risks of that situation. And while the Chinese do not descend to anything as crude as playing one supplier off against another, they certainly inspect everything that is on offer.

At present Europe has a fairly open field ahead of it. Peking has already told the Japanese that it does not want to continue increasing their share, while the U.S. is bogged down in questions of recognition and the problem of Taiwan. The European countries are sitting pretty with a good relationship, tested services and a wide range of products to offer.

Waiting

But Peking has been waiting a long time to start another round of buying. How far political and economic reasons are intermingled here nobody knows. But only West Germany with petrochemical plant contracts and Britain with its Rolls-Royce Spey engine deal have anything fixed for the future. The general level of trade with China will drop noticeably if the pause lasts much longer.

But although this has been a quiet year for contracts, the Chinese have continued the hunt for technology. At present West Germany acts as host to about a hundred delegations a year (as many as Japan), while Britain and France each get fifteen or twenty. The traffic in the other direction is heavy but intermittent; recently the pressure has been for the Chinese to come to Europe.

Peking has adapted the exhibition idea very much to its own purposes. In the past few years all the large countries of Europe have held prestige exhibitions accompanied by films, lectures and symposia. These have been highly successful in the sense that European manufacturers were at last able to meet some of the end-users of their products (previously the only Chinese they ever met were officials of the trading organisations) while the Chinese got a huge bonus in the form of free technology. This year these big shows were followed up by smaller, much more specialised affairs like the Swedish packaging display or the British "48 Group's" exhibition of communications equipment.

The Chinese range of interests is enormous. They could be in the market for steel, coalmining, oil, transport, construction, engineering and light industrial equipment. Its offshore oil industry is only just beginning, and Chinese delegations have already looked at British, Dutch and Norwegian facilities. Mining remains extremely important, and in spite of previous large British sales of mining machinery China seems quite likely to come back for more. The Chinese steel industry is lagging, and may want more besides the German and Japanese mills now being built.

Aviation remains important, though with the Hawker Siddeley deal for 35 Tridents and the Rolls-Royce Spey production line the Chinese may have satisfied their actual aircraft needs for the present. But they have recently bought helicopters from the French and Germans, and came to the Farnborough Air Show to look at incidental equipment like ejector seats.

They have a large programme for modernising their ports, to which Britain has contributed with sales of cranes, while the railways (frequently in the news in political crises, as recently when Mme. Mao was accused of disrupting them) are greatly in need of improvement. Vehicles, construction equipment, agricultural machinery, measuring and precision instruments are all areas of potential trade where Europe is well equipped to operate.

West Germany is third in the league table of China's trading partners, behind Japan and Hong Kong. This year its exports have rocketed because of its deliveries of rolling mill equipment for the steel plant at Wuhan. France is some way behind, followed by Britain, whose aircraft and mining machinery deliveries have kept it up towards the top. Italy is close behind, however, and as it was recently favoured with a petrochemical technology purchase by Peking, may shortly pull ahead.

Britain suffers in competition with Europe from the Chinese insistence on fixed price contracts. With U.K. inflation running ahead of rates in Europe, British manufacturers' prices until recently tended not to be competitive. Whether the Chinese will be tempted by the falling pound remains to be seen; they were said to be very worried by the rise in the Deutschemark, so currency fluctuations clearly play a part in their calculations.

The Chinese seem particularly impressed by West German industry. The only actual plants they have bought from Europe during this rather difficult year were German. Dozens of Chinese engineers have been trained in Germany to operate the new rolling mill equipment.

Agreement

But most conclusively, China signed a technical and scientific co-operation agreement with Bonn which provided for long-term co-operation in mining and processing, more sharing of steel technology, exchanges of missions on oil and natural gas, and joint research projects in the peaceful uses of nuclear energy. It was its first agreement of the kind with a country outside the Soviet bloc.

Yet a big hurdle in the way of bigger Chinese imports is Peking's shortage of hard cash. Early this year it looked as if a new form of barter might help to solve China's problems, but the political troubles in China and the "radical" campaign against paying for foreign equipment with raw materials put it out of course. T[illegible] was a West German ma[illegible] machinery-for-Chinese [illegible] proposition.

The idea was put up b[illegible] leading German manufacturers —including Ruhrkohle, Thy[illegible] and Krupp—who in return [illegible] 10m. tons of coal annually [illegible] to supply mining equipment [illegible] help with port expansion. A[illegible] the same time the Chinese [illegible] cussed a similar propos[illegible] with Italian industrialists [illegible] suggested a machinery-for-[illegible] swop. Neither idea materia[illegible] but in the new political [illegible] sphere in China they might [illegible] least form the basis of [illegible] discussion.

Although the Chinese do [illegible] expect to balance trade [illegible] individual countries, they [illegible] extremely conscious of the [illegible] to sell more in order to be [illegible] to buy. Over the past few [illegible] they have steadily put m[illegible] effort into marketing in Eur[illegible] The kind of promotion [illegible] tried in Britain this year [illegible] craft exhibition) is likely [illegible] become more common. T[illegible] small specialised Fairs held [illegible] China for invited traders [illegible] seem to have paid off. T[illegible] presence of a mission of W[illegible] German retailers in China [illegible] few days ago suggests a sim[illegible] kind of effort. For altho[illegible] Peking does not tie imports [illegible] exports, it can only incre[illegible] sales by all-round pressure [illegible] its numerous trading partn[illegible] This pressure seems likely [illegible] grow.

C. [illegible]

How China pays the import bills

THE CHINESE are still very conventional about how they pay for their imports. It is probably true that some are more liberal than others, in the sense that when the political atmosphere in Peking is relatively free, some senior officials in trade and banking may be able to influence policy on credits, bank loans and similar bourgeois practices.

Yet fundamentally, with recollections of financial disaster under the previous Nationalist Government, they probably would like to avoid them. But the desperate need to step up industrialisation after the Cultural Revolution made them necessary.

Economics and politics have been inextricably intertwined in Chinese affairs in the past five years. When the Chinese were forced to retreat in 1974 from their earlier adventurous buying policies, no one outside Peking's corridors of power could sort out how far it was the crashing world commodity prices or the manoeuvring of the radicals that was responsible. The Chinese had done their sums right in 1972 and 1973 when they were buying complete plant from the West and Japan: what they had not foreseen was the slump in 1974 and after.

Peking was left with a $1.3bn. deficit on its convertible currency trade in 1974. This may well have been ammunition for the radicals against Premier Chou En-lai and his faithful band of moderates. By stringent [illegible] duced this to $790m. last year. They will probably get it down a bit further this year. What nobody can tell at present is whether the removal of the radicals will mean there is less concern about a relatively small deficit. If so, buying could well resume.

In fact the trade figures are not a true picture of the situation. A good deal of the complete plant which has been delivered recently has been bought on five-year credit or "progress payments." However, it appears in the statistics because they show shipment, not payment. But payments on earlier purchases are now due, while China's heavy grain buying of 1973 and 1974 (which is on short-term credit) is now being paid for.

Effort

The Chinese have certainly become conscious of their problems. In recent years the Bank of China in London has extended its contacts and made its money work in a manner unheard of before. It lends, accepts deposits and deals in currencies. In Hong Kong the Communist-controlled banks keep their interest rates on deposits marginally above the others' to attract more money. There is much more effort to maximise the offtake from investment in Hong Kong, now believed to exceed $300m.

This has been accompanied by a push to keep in touch with commodity prices. In the 1960s Chinese goods were seriously undervalued; for instance prices of food sold to Hong Kong remained constant for years, thus allowing a phenomenal growth in real prosperity in the colony. But in the early 1970s Peking, realising the cost of its huge import programme, gradually brought its prices in line with the rest of the world.

To-day the foreign trade corporations try to keep in close touch with commodity dealers abroad to stay up to date with prices. The policy now tends to be to ask rather too much, but this may reflect recent Chinese shortages.

At the end of 1973, with rising oil prices, falling commodity prices and a big import programme, it was China's own crude that looked like saving the day. Japan was panicking about its energy sources and China soon concluded a couple of deals for the sale of oil. Over-optimism and a desire to foster the Chinese connection caused the Japanese to predict that China would soon be selling hundreds of millions of tons of oil yearly.

But after some months, owing to the recession, the Japanese storage tanks were bursting. Furthermore, the Chinese oil turned out to be highly viscous, with a low flashpoint and a high heavy oil fraction. Since then Chinese oil sales to Japan have lagged well behind expectations, and whether for political or economic reasons on Peking's part, the long-term agreement which was originally hoped for has not been concluded.

Minus large oil revenues and with policy leaning towards more purchases of complete plant, one wonders what measures Peking will take to finance it. Earlier this year it was reported to have sold 12-24 tons of gold and its total reserves are estimated to have dropped from about $3bn. 18 months ago to $1bn. now. Using gold and reserves was presumably an emergency measure, but it remains to be seen what longer term strategy Peking can evolve.

Any such strategy seems likely to involve oil. If OPEC prices rise, as they are expected to shortly, the Chinese will automatically be able to ask a higher price. With the radicals apparently removed from influence in Peking, the way is open for a long-term deal (always assuming the Chinese did not mean what they said when they told the Japanese they had lost interest because they were going to need most of the oil for their own purposes). With such a deal, it is worth the while of the Japanese to adapt refineries to the special characteristics of Chinese oil.

In any case there are other customers for the oil. Thailand is altering a refinery to handle it. The Philippines is continuing to buy. Hong Kong last year looked like becoming an important customer for products, though this growth has now slowed down. Romania did a barter deal last year, taking oil for urea. Italy proposed a similar one this year involving oil for machinery, but this did not come to fruition.

China's oil production is at present around 80m. tons. It should reach 100m. by next year or the year after. While much depends on the general state of the Chinese economy and its investment plans, it could be producing 130m. by 1980, with perhaps 30m. available for export. Even at to-day's prices, that would earn getting on for $3bn.

Even at half that, China would be covering its repayments due on projected purchases of plant and grain. Washington sources at present estimate these at about $1-$1.5bn. annually up till 1980, though this is almost certainly too high if China keeps its grain imports right down. These figures were calculated on a projected annual purchase by China of 3-5m. tons of g[illegible] annually, whereas last year [illegible] was 3.5m. and this year it see[illegible] unlikely to exceed 2.5m.

Repayments on plant actu[illegible] purchased probably only fo[illegible] about a quarter to a third [illegible] this. The figure allows furth[illegible] plant purchases on defe[illegible] terms of about $1bn. a y[illegible] which of course may [illegible] materialise. In 1975 the [illegible] may not have been more th[illegible] $500m.—and this year so [illegible] perhaps only half that.

However, in the original c[illegible] culations made in Washing[illegible] on China's first round of buyi[illegible] in 1973-74, repayments w[illegible] shown as peaking in the th[illegible] years 1976-78 at $340-$37[illegible] annually. The timing of the [illegible] repayments may be compou[illegible] ing China's present difficulti[illegible]

Obviously a great deal [illegible] juggling must be going [illegible] While China can calcul[illegible] roughly what its ordinary [illegible] ports are likely to be, the [illegible] figure is uncertain beca[illegible] China does not know what [illegible] world energy picture will [illegible] Nor does it know accura[illegible] what future harvests will [illegible] like, and so what grain it w[illegible] need to buy. New investm[illegible] ventures in Hongkong may [illegible] work out, thus delaying the [illegible] crease of revenue from th[illegible] source.

Still, the gap at present [illegible] probably not large. It is pr[illegible] ably covered by short-term b[illegible] rowing through the bank[illegible] system, and it is generally [illegible] lieved that if the Bank of Ch[illegible] wanted medium-term funds [illegible] would have no difficulty rai[illegible] them. In those circumstanc[illegible] Peking could well resume [illegible] cautious programme of co[illegible] plete plant purchase to spur [illegible] its economy.

C. [illegible]

The Trident success story

THE MOST celebrated and successful trade deal between Britain and the People's Republic of China in recent years has undoubtedly been the sale of Hawker Siddeley Trident airliners, an aircraft probably chosen for its technical superiority at the time.

The announcement of the first order in August 1971 was greeted with immediate optimism by the British aerospace industry, with suggestions of a growing relationship with China, but did not give a true impression of the long and highly technical negotiations which led up to it.

The first order, for six Trident 2E aircraft worth £20m., followed the purchase some time previously of second-hand Viscount and Trident airliners from Pakistan, but was the largest ever won from China by the British industry. It came just under a year after the Farnborough Air Show, which a Chinese delegation attended.

This resulted in an invitation from the Chinese authorities for Hawker Siddeley to send a sales team to Peking. There then followed one of the most intensive interrogations on technical matters which the team, including a Rolls-Royce representative, had ever experienced.

At that time the capabilities of Chinese engineers were largely unknown and the country was emerging from a period of isolation from international affairs, both commercial and diplomatic. The interest in the airliner was an important indication of changes to come and it was gratifying that Britain was in the forefront.

In retrospect, the company believes that its understanding of the market place was the most important factor in that and subsequent deals. Although a certain mystique was present, well established trading patterns existed in a slightly different form, such as centralised buying organisations with an unfamiliar format compared to those previously experienced. The well-known and traditional trading talents of the Chinese were also in evidence, and the company was impressed by their professionalism.

Hawker Siddeley had had some dealings with China previously, in a small contract for marine engines for dredgers, which had given a brief insight into the country. Similarly the Chinese had evidence that the company was a reasonable, experienced manufacturer. But patience was also important.

The 1970 sale of the Pakistani Trident 1Es had also provided an opportunity for Hawkers to show its eagerness to assist, in providing parts and doing transitional work, and also demonstrated that the Chinese were extremely good at maintaining aircraft. The British Aircraft Corporation Viscounts they operated were in extremely good condition despite their age.

Another factor considered important was the company's participation in the 1973 Chinese exhibition, in which Hawker Siddeley and 15 member companies took part, exhibiting a range of products from aircraft to sheep-shearing equipment. This was certainly significant in arousing further interest. In November 1972 came the second coup for Hawker Siddeley when China ordered a further eight Tridents at a cost of £25m. without spares.

It was then thought that China was embarking upon a large scale expansion of its air services, both domestic and international, and that Hawker Siddeley could expect a substantial number of further orders, but this is shown with hindsight to have been over-optimistic. The third order, and the most recent, came [illegible] December 1973, for a furth[illegible] 15 Trident 2Es, worth [illegible] spares around £50m. T[illegible] brought the total ordered to [illegible] (worth about £120m.) [illegible] deliveries are now near [illegible] completion.

It is well known that Ch[illegible] wishes to become self-suffic[illegible] in aircraft technology and [illegible] capable of achieving it [illegible] quickly if necessary, [illegible] appears to be biding its time [illegible] this respect. Although paym[illegible] for the aircraft was in c[illegible] terms, China, like the So[illegible] Union and Eastern Europ[illegible] countries, can only fund p[illegible] chases by sales in the West [illegible] far, its trade with the West [illegible] remained roughly in bala[illegible] and it seems likely that [illegible] intention is to maintain [illegible] status quo.

The completion of the vari[illegible] contracts has shown that Ch[illegible] has great capability, not only [illegible] technical terms but also [illegible] financial expertise. It was [illegible] evident that in contracts of th[illegible] nature, with a large sales te[illegible] and great technical depth, t[illegible] effort should be orchestrated [illegible] senior executives, or [illegible] in this particular case, [illegible] one extremely experien[illegible] executive.

Lorne Barli[illegible]

FARMING AND RAW MATERIALS

Christmas fruit supply 'plentiful'

By Our Commodities Staff

CHRISTMAS SUPPLIES of fruit and vegetables will be plentiful but prices, in most cases, will be higher than last year although not unreasonably, the Fresh Fruit and Vegetable Information Bureau said yesterday.

Home grown fruit and vegetables in particular will be available in reasonable quantities and at reasonable prices despite the hot summer drought and the excessively wet autumn.

Brussels sprouts at 18p to 22p a pound were expensive at the moment because they had been badly hit by the weather and good quality cauliflowers — at present 25p to 40p each — may be scarce and expensive at Christmas it added.

Ample supplies of potatoes are coming onto the market at present and it was unlikely that there would be any substantial increase in price.

Supplies of apples and pears are particularly good. Among the seasonal items, oranges now cost 3p to 9p each; Brazils nuts 35p to 40p a pound; chestnuts 35p-45p a pound; mixed nuts 35p-40p a pound; walnuts 40p-45p a pound, and dates 33p to 35p a pound.

Israeli citrus groves lashed by heavy rain

By Our Own Correspondent

TEL AVIV, Dec. 2.

SUPPLIES OF Israeli citrus fruit to European markets will this month be somewhat smaller than usual in December. Extremely heavy rains last week halted picking, turning groves into quagmires.

Moreover, Jaffa oranges of the Shamouti variety are late in ripening this year, as a result of which shipments of this type to the end of December, at an anticipated 3.5m. cases will fall 1m. cases short of the parallel period of 1975. The gap may become even bigger should rain resume for a longish period.

Exports of navel oranges till the end of the calendar year will also be slightly lower and are currently forecast at 1.05m. cases — a 1m. cases less than in November/December 1975.

The Israeli citrus export season may be extended considerably in future years if experiments now being carried out prove the effectiveness of a new method of fruit preservation which extends the life of citrus by several months. It is a coating of polyethylene, which heat-sealed forms a second, artificial seal preventing moisture loss.

Sharp rally in London cocoa market

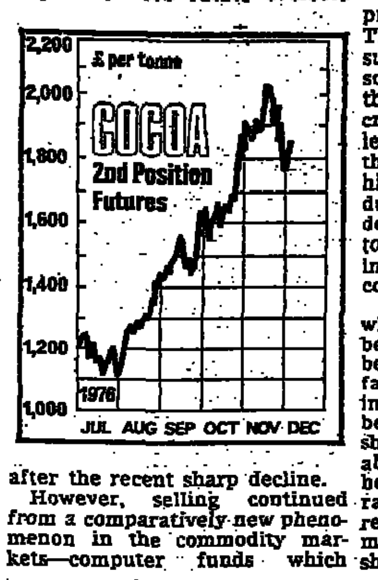
BY JOHN EDWARDS, COMMODITIES EDITOR

COCOA PRICES rallied sharply on the London futures market yesterday, regaining some of the heavy losses suffered recently. The March positions closed last night £63.75 higher at £1,853.75 a tonne.

Values rose the permissible limit of £30 in the morning, reflecting the overnight steadiness in New York and covering of previous sales. Adding to the bullish sentiment were forecasts that the Ghana purchase figure this week is likely to be below 18,000 tons, which would provide added confirmation that the main crops there, and in other West African countries, are likely to be disappointing this season.

London market sources pointed out that the underlying fundamental supply-demand situation remains bullish, with supplies still scarce and producing countries reluctant to sell in view of the poor crop outlook. It was claimed that there was sustained trade buying interest at the lower levels, which was an important influence in turning the market round after the recent steep declines of £250 or so in the past fortnight.

At the same time, there was also speculative and chart buying, suggesting that the market may have been rather oversold



after the recent sharp decline.

However, selling continued from a comparatively new phenomenon in the commodity markets—computer funds which tend to be somewhat inflexible in that they wait for a definite change of direction in prices to emerge before altering their attitude.

To some extent this reflects the present dilemma in the market. There is little doubt that cocoa supplies will remain scarce for some time to come in view of the disappointing West African crops and the surprisingly high level of demand encouraged by the delay in passing on the higher prices to consumers. Producing countries are obviously determined not to allow prices to fall too much in view of the inflation in their production costs.

However, it is difficult to assess what is the price level that can be sustained without demand being hit badly. The recent sharp fall in prices as a result of selling by speculators influenced by bearish chart forecasts, has shown that the market is vulnerable. It remains to be seen, however, whether yesterday's rally is the end of the shake-out removing weak speculators or merely another twist in the sharply fluctuating price pattern.

EEC milk price standstill call

BRITAIN'S DAIRY industry expects to see a standstill on the farmers' price for milk in next year's round of Common Market farm price talks, Mr. Ben Davies, chairman of the National Dairy Council and vice-chairman of Unigate said yesterday.

"I know that European farming organisations are hoping for an increase but it is difficult to justify this while there are still substantial stocks of unsold dairy products in the Community," he said.

Britain's dairy farmers were experiencing considerable increases in their production costs, and more were in the pipeline.

"But in Britain we have the facility to offset these cost increases by a devaluation of the 'Green Pound'." he said.

"I know that Britain's farmers are looking to a gradual devaluation of the 'Green Pound' to help them deal with their higher costs."

With a standstill on the producers' price, Mr. Davies was confident that after the price increase in January the new price of 10½p a pint could be maintained throughout next year.

Mr. Davies was introducing a survey by the National Dairy Council which showed that up to June, milk sales fell by only 2 per cent. despite the fact that the price had nearly doubled since the previous September. However, Unigate had found a further fall in sales of 2 per cent. to 3 per cent. since the last price increase two months ago, he added.

● Last month, the Country Landowners' Association also called for a lower EEC mill price in real terms. If passed on to consumers it would boost consumption the Association claimed.

UN buffer stock doubts

GENEVA, Dec. 2.

THE PROPOSED $6bn. UN common fund to finance international buffer stocks of commodities is still far from accepted by a number of trading nations, Mr. David Hilton, the Canadian delegate, told the 88-nations preparatory meeting of the fund, convened by UNCTAD.

Canada is prepared to co-operate in looking at the common fund idea as one of a number of possible solutions for the problem of financing buffer stocks set up under international commodity arrangements, he said.

But he suggested as alternatives to the common fund mandatory financing by producers and consumers of buffer stocks within individual commodity agreements or a central fund obtained through financial linking between established buffer stocks.

He said Canada believes the March full-scale negotiating conference should ensure availability of buffer stock financing when and where required in international commodity agreements.

Fish price rise fears discounted

By Stuart Alexander

FEARS of a sharp rise in retail fish prices over the next few weeks were discounted by leading retailers last night, who said that the withdrawal of Britain's trawler fleet from Iceland would have little effect.

Prices traditionally tend to harden at this time of year as the bad weather prevents normal catches and much of the deep-sea fleet is laid up for the Christmas break.

There are large stocks of cod in cold storage to make up the deficit of fresh fish landings and there are other species able to make up the available quantity.

However, weather can always have a sudden dramatic effect on the price of fish caught by the inshore fleet and a shortage in this sector would aggravate the existing shortfall in the deep sea catch of cod. In addition, there is a Government ban on the catch of North Sea haddock from to-morrow, as stocks have been overfished.

In the longer term, apart from the serious overfishing that has already taken place in the North Sea and the North East Atlantic, fishermen are afraid that lack of Common Fishing Policy in the EEC will lead to fierce competition for fish in European waters and the posibility that stocks will be depleted even further.

Philippines to search for sugar sales

MANILA, Dec. 2.

PRESIDENT Ferdinand Marcos has issued an order that more markets be found for Philippine sugar following a decline in the world price.

The Presidential Palace said President Marcos issued the directive at a meeting of the National Economic and Development Authority (NEDA) on the current sugar situation.

President Marcos was quoted as saying the Philippines could possibly dispose of sugar on a barter basis to Middle East oil countries.

In Washington a forecast that a world record sugar crop in 1976-77 will exceed consumption and increase stocks was issued by the U.S. Agriculture Department.

In a summary of the sugar and sweetener report to be issued later, the USDA estimated world output of nearly 96m. short tons (raw value), almost 6m. short tons above last year.

Reuter

U.K. AGRICULTURE

Conflicting thoughts on farm exports

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

EARLIER THIS year the Advisory Council for Agriculture and Horticulture, chaired by Sir Nigel Strutt, recommended that the British Agricultural Exports Council should receive support of some £500,000 annually to foster British agricultural exports. The Government has accepted the case for stronger export promotion, but neither it, the farming industry, nor the main exporters of machinery, etc., seem anxious to agree to provide support on this scale either by levy or anything else.

The BAEC itself is in receipt of financial support from businesses and Government for its total world-wide activities of well under the £100,000, which some of our fellow-members of the EEC are alleged to spend in promoting food and farm products at the Royal Show. It could be a bargain because Mr. Edward Bishop, Secretary of State at the Ministry of Agriculture, claimed in a recent speech that agriculture and food exports reached £2.5bn. in 1975.

The BAEC's figure is about half that, but includes no so-called "invisible" earnings and few manufactured foods. The divergence in the total is probably explained by the fact that agriculture covers a very wide field, and it is quite possible for more than one industry to claim credit for the same exports.

To claim as some do, that British farming forms a necessary base for agricultural engineering and chemical industries is overstating the case. The tractor industry, largely North American owned, was established here because production costs were generally lower.

In any case, Britain's position in the overall farm production league and as a market for inputs of machinery and fertilisers is third in the EEC after France and Germany. But this is simply a reflection of the smaller land area.

Britain is also a net importer of 40 per cent. of temperate foods consumed here. For this reason it is questionable just how far the export of agricultural produce can, or should go. The point was put by John Cossins, NFU vice-president at a conference on exports recently. He said that the union was not so much concerned with exports, as with getting a bigger slice of the home market.

He instanced the growing export of calves to the Continent, and saw little value in supporting an export drive, which in cases such as this, simply made it more difficult for him to replace his cattle.

This underlines the contradictions, in attempting any real development of the export of agricultural produce as distinct from machinery. Exporting calves, for instance, makes it difficult for farmers to buy young stock to rear. It will mean an eventual shortage of beef, which will have to be imported, probably at more cost.

Cereal exports, mainly barley and wheat, rose from 400,000 tonnes in 1974 to 1.2m. tonnes in 1975. Was this the result of a massive sales drive? It was not. Apart from an established trade for malting barley to the Continent of about 200,000 tonnes, the rest was exported by keen-witted traders who found sufficient margin among the levies and MCA's which confuse the scene to turn a quick buck. Replacement grain imports for the period matched the exports, and have exceeded them in costs.

Much the same criticism could be directed at the exports of animals for slaughter or of meat products. I was talking to the driver of a refrigerated meat lorry the other day, who was off to Germany and asked him what he loaded back with. Generally, he said, meat of the same quality. Was it the same beef? He did not know, or if he did would not admit it.

In this case again, meat exports are simply a reflection of the opportunities open to traders able to take advantage of the currency instability within the EEC which renders such activities lucrative.

There is of course a case for exporting high quality foods like Stilton cheese and replacing it with "mousetrap." But information on this side of the picture is not available. A surprising omission from the BAEC estimate of exports in the sales of spirits, particularly whisky, which is undoubtedly an agricultural product, based on barley, and totally produced in Britain.

In spite of inflation, exports of live animals for breeding have actually shown a fall in value over the last three complete years. This is partly a reflection of the world-wide depression in the beef industry, but also indicates that markets are very difficult. It is interesting to see that exports of horses, probably bloodstock amount to half in value of all breeding stock sold abroad.

There is no doubt that exporters of breeding pigs, sheep and cattle have done well individually but the numbers involved and the consequent earnings from them are not important in relation to the whole picture. Exporters claim that they face considerable difficulties in many countries, particularly in the Middle East, and that some exporters in other countries are subsidised to a considerable extent. Mr. Michael Leyburn, an exporter, claimed recently that the subsidy on in-calf heifers paid by the Dutch Government during one export period was £130 per head.

There is a case for Government assistance to agricultural exports, particularly those to third countries. There is an even stronger case for determining which exports are really agricultural and which are the responsibility of other industries. It would also be worth assessing the cost benefits of exporting temperate foods which have to be replaced by more imports. But this last is likely to be an academic exercise, as the rules of the EEC preclude any restrictions on trade between members however nonsensical.

More support urged for food exports

ALTHOUGH BRITISH food exports should exceed £450m. this year, the Government was not giving the industry sufficient support, Sir Alex Alexander, president of the British Food Export Council, said yesterday.

Price stability in the food manufacturing industry was "a myth" and price control "a costly, complicated, inhibiting, distorting, bureaucratic mess." he declared. "The sooner the whole jungle is cleared the better it will be not only for industry but for the consumer and the nation."

Speaking at the annual lunch of the British Food Export Council Sir Alex pointed out that in the first six months of this year British processed food exports rose from £173m. to £231m. with a volume increase of 19 per cent. Exports for the nine months totalled £356m. against £366m. for the whole of last year.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on the London Metal Exchange in a quieter market than Wednesday, when the first of the U.S. producer price cuts was announced. Although German interest pushed forward metal up from a start of £774 to £780, the market started to drift. There was no stimulus from Comex which opened unchanged and then turned slightly easier, and the closing price on the Kerb was £773.5. Turnover 16,025 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	740.5-1	+3.5	742.5-3.5	+.5
3 months	773-.5	+4	775-6	+.25
Settlem't	741	+3.5	—	
Cathodes				
Cash	728-.5	+4	729-31	—.5
3 months	760-.5	+3.5	761-3	—.5
Settlem't	728.5	+4	—	
U.S. Prod.	—	......	*70-74	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £742, 41.5, 41, three months £775, 76, 75, 74.5, 74, 73.5, 73. Cathodes: Cash £738, 28.5, three months £760. Kerb: Three months £773, 73.5, 74. Afternoon: Wirebars, cash £744, 44.5, 45, three months £777, 76.5, 75, 76, 75.5, 75. Kerb: Cash £742, three months £775, 74.5, 74, 73, 74.5, 74, 73.5.

TIN—Higher following the sharp rise in the Eastern price overnight and influenced by the greater steadiness of other metals compared with Wednesday. The forthcoming ITC meeting also helped to lend a firmer tone. Forward material opened at £5,190 and climbed to £5,205 before slipping to £5,190 on pricing sales. In the afternoon there was little activity but the price hardened to close at £5,205. Turnover 590 tonnes.

Morning: Standard, cash £5,020, three months £5,210, 05, 5,200, 5,190, 95, 90. Kerb: Standard, three months £5,190, 5,185. Afternoon: Standard, three

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5015-20	+70	5020-5	+32.5
3 months	5200-10	+78.5	5215-25	+47.5
Settlem't	5020	+70	—	.....
Standard				
Cash	5015-20	+70	5020-5	+32.5
3 months	5185-90	+61	5202-5	+59.5
Settlem't	5020	+70	—	.....
Straits E.	£51.85	+2.2	—	.....
New York	—	.....	*383.00	.....

months £5,195, 5,200. Kerb: Standard, three months £5,200, 05.

LEAD—Barely changed in a subdued market. Forward metal opened at £290 but drifted off, following copper, and eventually closed on the Kerb slightly above the day's low point at £287.75. Turnover 1,575 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	274-.25	+.625	274-.5	—.75
3 months	287-.5	+1	287-.8	—.5
Settlem't	274.25	+.75	—	.....
N.Y.	—	.....		

Morning: Cash £274.5, 74, three months £290, 90.5, 89, 88.5, 88.25, 88, 87.5. Kerb: Three months £287.5. Afternoon: Kerb: Three months £288.

ZINC—Turned easier after a steady opening pre-market at £385 for forward metal. In the rings there was heavy hedge selling from one influential quarter and although this was fairly well absorbed the price slipped to £382.5 before steadying to close on the Kerb at £383. Turnover 3,475 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	366.5-7	+2.5	365-6	—1
3 months	383.25-.5	+2.1	382-.5	—1.5
Settlem't	367	+2.5	—	.....
Prim. West	—	.....	*37	.....

Morning: Cash £368, 66.5, 67, three months £384.5, 84.75, 84, 83.5. Kerb: Three months £383.5, 83.25, 83.5. Afternoon: Three months £383.5, 83, 83.5. Kerb: Three months £382.5, 83.

*Cents per pound. †On previous unofficial close. ‡$M per picul.

SILVER

Silver was fixed 5.45p an ounce higher for spot delivery in the London bullion market yesterday, at 260p. U.S. cent equivalents of the fixing levels were: Spot 435.18c, up 8.9c; three-month 436.8c, up 8.9c; six-month 446.2c, up 8.6c; and 12-month 457.8c, up 7.3c. The metal opened at 259-259p (431-433c) and closed at 259½-260½p (430-432c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	260p	+5.45	259.45p	+5.25
3 months	270.3p	+5.45	269.5p	+5.25
6 months	280.8p	+5.5	—	
7 months			283p	+5.5
12 months	298.6p	+5.6	—	

LME—Turnover 188 (180) lots of 10,000 ozs. Morning: Three months 270.8, 70.7, 70.6, 70.8, 69.8, 69.8, 69.7. Kerbs: Three months 269.5, 9.4. Afternoon: Three months 269.8, 70.0, 69.9, 9.8, 9.5, 9.6, 9.5. Kerbs: Mainly carries. Three months 269.4, 9.5.

COCOA

With consumers and origins sidelined, short-covering and jobber buying produced a brisk rally which continued throughout the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Contract			
December	1951.0-54.0	+64	1955.0-1865.0
March	1855.5-64.0	+63	1864.0-04.0
May	1819.0-17.0	+66	1819.0-771.0
July	1775.0-79.0	+66	1779.0-37.0
September	1755.0-54.0	+64	1755.0-660.0
December	1581.0-85.0	+55	1585.0-45.0
March	1545.0-50.0	+52	1540.0-500.0

Sales: 5,845 (5,784) lots of 10 tonnes.

International Cocoa Agreement (U.S. cents per pound): Daily price for Dec. 1: 124.19 (121.49); 15-day average 132.49 (133.50); 22-day average 132.49 (132.69).

GRAINS

THE BALTIC—A fair interest was shown for optional U.S. corn for Dec. transhipment to various U.K. ports but business was very slow. Other imported grains were neglected with U.S. milling wheat prices slightly easier.

Wheat: Canadian Western Red Spring No. 1 13½ per cent. unquoted. U.S. Dark Northern Spring No. 2 14 per cent. Dec. £92.40, Jan. £94.35 transhipment East Coast. U.S. Hard Winter No. 2 ordinary Dec. £75.90, Jan. £77.10, Feb. £78.25 transhipment East Coast. EEC Feed Dec. £81.75, Jan. £83 East Coast.

Maize: No. 3 Yellow American/French Dec. £79.50 transhipment East Coast. Other grades unquoted.

Barley: EEC Feed Canadian unquoted.

MARK LANE—Prices moved about £1 per tonne lower under heavier offerings prompted by increased competition from imported supplies, traders said. Average sellers quotations per tonne for delivery London area: Wheat—Milling Jan./March £83.25. Denaturable East Anglia Dec. £83, Jan. £84.25. Barley—East Anglia Jan. £81.50.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady at decline. Close: Jan. 81.80, March 84.45, May 87.00, Sept. 90.95, Nov. 93.80. Business: Jan. 81.75-81.60, March 84.55-84.25, May 87.25-86.90, Sept. 91.45-91.15, Nov. 94.00-93.65. Total sales: 214 lots. Barley, steady at decline. Close: Jan. 78.80, March 81.55, May 84.30, Sept. 88.85, Nov. 91.85. Business: Jan. 78.95-78.70, March 81.75-81.45, May 84.40-84.25, Sept. 88.90-88.75, Nov. 91.95-91.55. Total sales: 146 lots.

HGCA—Location ex-farm spot prices. Non-breadmaking milling wheat: N. Lincolnshire £82.55. Hants and W. Sussex £82.65. Feed barley: N. Lincolnshire £77.40, Hants and Sussex £77.45.

EEC DAILY IMPORT LEVIES—The following EEC levies and premiums are effective for Dec. 3, in units of account per tonne. In order current levy plus Jan., Feb. and March premiums (with previous in brackets). Common wheat—85.73, 0.75, 0.75, nil (85.73, 0.75, 0.75, nil); Durum wheat—137.92, nil, nil, nil (137.92, nil, nil, nil); Rye—81.85, nil, nil, nil (81.85, nil, nil, nil); Barley—49.25, nil, nil, nil (46.73, nil, nil, nil); Oats—52.17, 0.75, 0.75, 0.75 (52.17, nil, nil, nil); Maize (other than hybrid for seeding)—58.50, nil, nil, nil (57.85, nil, nil, nil); Buckwheat—All nil (all nil). Millet—57.42, nil, nil, nil (57.42, nil, nil, nil); Grain sorghum—58.93, nil, nil, nil (58.18, nil, nil, nil).

EEC levies are also effective for Dec. 3 for the following flours (with previous in brackets) in units of account per tonne. Wheat or mixed wheat and rye flour—131.34 (131.34); Rye flour—97.89 (97.89).

COFFEE

Robusta futures closed steady after most of the early gains were pared. Values at the close were unchanged to £9 higher compared to Wednesday. The terminal lacked a decisive lead from New York in the afternoon and tended lower on scattered selling, particularly in distant positions.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	2365-2375	+2.5	2384-52
March	2400-2402	+0.5	2426-396
May	2411-2413	+1.0	2432-408
July	2421-2424	+3.0	2437-412
September	2428-2430	+3.0	2446-425
November	2429-2435	+10.0	2459-423
Jan	2412-2440	—1.5	2447-430

Sales: 1,613 (2,558) lots of 5 tonnes.

ICO Indicator prices for December 1 (U.S. cents per pound): Colombian Mild Arabicas 199.00 (198.00); unwashed Arabicas 192.00 (same); other Mild Arabicas 191.43 (190.43); Robustas 155.00 (same). Daily average 189.72 (189.22).

RUBBER

LOWER opening on the London physical market. Firmer during the day, closing about steady. Lewis and Peat reported a Malaysian godown price of 201½ cents a kilo (buyer, December).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Jan.	58.05-58.25	59.05-61.00	58.25-58.00
Feb.	58.0-58.75	60.00-61.5	—
Jan-Mar	59.6-58.75	61.00-61.5	61.25-58.25
Apr-Jne	63.7-63.8	64.00-64.5	64.50-63.25
Jly-Sep	66.65-67.00	67.50-67.55	67.5 66.50
Oct-Dec	69.25-69.75	69.60-69.75	69.60-68.25
Jan-Mar	71.0-72.5	71.7-72.25	—
Apr-Jne	75.35-74.00	75.50-74.0	75.10
Jly-Sep	74.50-76.00	74.50-76.25	—

Sales: 244 (186) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 57.75p (59p); Jan. 55.5p (54p); Feb. 54.75p (55p).

JUTE

DUNDEE—Quiet. Prices c and f U.K. for Dec.-Jan. shipment: BWC £231, BWD £220. Tossa: BTB £248, BTC £233, BTD £222. Calcutta goods market closed. Yarns and cloths very firm.

LONDON—Quiet. Bangladesh White "C" grade, Dec.-Jan. $384. Bangladesh White "D" grade, Dec.-Jan. $367 a long ton.

CALCUTTA—Market closed for Id-Vz-Zoha holiday.

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
December	158.0-57.0	—1.75	157.00
February	145.00-46.5	—0.50	145.50-42.50
April	146.50-46.7	+1.05	147.00-46.40
June	148.0-48.5	—0.55	147.90
August	148.30-48.5	+0.05	148.00-48.50
October	148.00-46.5	—0.45	148.50-48.00
December	142.30-46.0	—0.61	148.50-46.00

Sales: 100 (190) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £115.00 (£120.00) a ton cif for Dec.-Jan. shipment. White sugar daily price was fixed at 153.00 (same).

Prices drifted lower in quiet trading conditions, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
March	129.50-29.70	131.50-31.75	131.50-29.00
May	136.20-36.25	137.75-38.00	137.75-36.00
Aug	141.75-41.85	142.75-43.00	142.75-41.75
Oct	145.00-45.05	145.75-46.05	145.50-44.75
Dec	148.45-48.50	149.30-49.5	150.00-48.50
March	151.50-52.00	152.75-52.81	153.00-51.50
May	154.75-55.00	156.05-56.50	156.50

Sales: 1,373 (2,600) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £224.00 (same) a tonne for home trade and £184.90 (£186.00) for export.

EEC IMPORT LEVIES—The following import levies for white and raw sugar are effective for Dec. 3 in units of account per 100 kilos (previous in brackets). White sugar (denatured and non-denatured): 19.63 (same). Raw sugar: 18.57 (15.63).

WOOL FUTURES

LONDON—The market traded erratically in a narrow range during the day closing mainly higher but little changed from Wednesday in good turnover, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's close	+ or —	Business Done
December	227.0-30.0	—	250.0-229.0
March	241.5-43.0	+0.25	243.0-40.0
May	248.0-58.0	—	251-49.0
July	255.5-64.0	+2.5	264.0-52.0
October	258.5-60.0	+0.25	—
December	262-68.0	+2.5	—
March	264-70.0	—2.0	268.0
May	265.5-75.0	+5.75	—

Sales: 97 (100) lots of 1,500 kilos.

BRADFORD—Business improved slightly after the lull induced by the Australian devaluation. Prices are about 10p down compared with last Thursday.

SYDNEY GREASY (in order buyer, seller, business, sales)—Dec. 328.5-329.0, 329.5-325.0, 109; March 340.8-342.0, 341.0-335.0, 251; May 339.5-339.9, 340.0-336.9, 279. Total sales: 642 lots. Micron contract—July 344.5-344.9, 344.9-340.5, 141; Oct. 346.5-347.0, 347.0-345.0, 99; Dec. 347.0-349.0, 347.5-345.0, 68; March 351.0-352.0, 352.0-350.0, 62; May 352.5-353.9, 352.5-350.0, 12. Total sales: 382 lots.

MEAT/VEGETABLES

SMITHFIELD—(Prices in pence per pound). Beef: Scottish killed sides 47.0 to 51.0; Ulster hindquarters 51.0 to 54.0, forequarters 36.0 to 38.0; Eire hindquarters 50.0 to 54.0, forequarters 35.0 to 38.0.

Veal: Dutch Hinds and Ends 62.0 to 72.0.

Lamb: English small 40.0 to 46.0, medium 40.0 to 46.0, heavy 40.0 to 44.0; Scottish medium 40.0 to 46.0, hill 38.0 to 48.0; Imported frozen: N.Z. YLs 45.5 to 46.0; Scottish heavy 40.0 to 44.0.

Pork: English, under 100 lbs 33.0 to 39.0, 100-120 lbs 33.0 to 38.0, 120-160 lbs 31.0 to 37.0.

MEAT COMMISSION—Average fatstock prices at representative markets on December 2. GB cattle £30.57 per live cwt (—0.74); U.K. sheep 54.3p per pound est. dcw (+0.7); GB pigs £4.56 per sc.l.w. (—0.10). England and Wales—Cattle numbers up 23.1 per cent. average price £29.89 (—0.55); Sheep numbers up 29.4 per cent. average price 54.5p (+0.4); Pig numbers up 15.9 per cent. average price £4.98 (—0.10). Scotland—Cattle numbers down 6.7 per cent. average price £32.63 (+0.61); Sheep numbers up 60.1 per cent. average price 53.5p (+1.7); Pigs nil.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Spanish: Navels/Navelines 2.50-3.20; S. African: 72/138 2.50; Jaffa: Navels 3.80-4.35. Satsumas—Spanish: Trays approx. 20lb 2.80-2.90. Clementines—Cyprus: 2.80-3.50; Spanish: 3.00; Moroccan: 3.20-3.80. Lemons—Italian: 3.20-3.30; Cyprus: 2.80-4.00; South African: 3.50-4.20. Grapefruit—Jaffa: 3.25-4.05; Cyprus: 3.00-4.00. Pineapples—S. African: 9 4.00, 12/15 3.60. Apples—French: Golden Delicious 2.00-2.40, Stark Crimson 2.20-2.40, Granny Smith 2.65-2.90, jumble pack Golden Delicious 2.80; Italian: per pound Golden Delicious 0.08, Granny Smith 0.13, Starking 0.06½, Rome Beauty 0.08, jumble pack Granny Smith 25lb 55/60 3.00; Hungarian: 40lb Starking 4.80. Pears—Italian: 14lb Passacrassane per pound 0.10. Grapes—Spanish: Almeria 1.60-1.80, Black 3.20-3.30. Melons—Spanish: Green 3.20, Yellow 2.50-2.80, 15kg boxes 5.50-6.00. Cranberries—U.S.: Per 6oz packet 0.15; 16oz packet 0.26. Chestnuts—Portuguese: Per 10kg 4.20-4.50; Spanish: Per 5kg A 1.90, AA 2.30, AAA 2.70; per 10kg 4.00-5.50; Italian: 60/65 5kg 2.60-2.80. Walnuts—Californian: Per pound 0.32-0.40; Indian: Per pound 0.30; French: Cornus per pound 0.17; Chinese: 0.30. Filberts—Italian: Per pound 0.28-0.28. Brazils—LWM per pound 0.27-0.28. Almonds—Cyprus: Per pound 0.22-0.24. Dates—Algerian: 0.28-0.35; Tunis: 0.30-0.35; Californian: 0.23-0.24. Tomatoes—Spanish: Boats/Trays 3.60-4.00; Canary: 3.50-3.70. Cucumbers—Canary: Per 10/16 prepacked 1.20-1.70. Onions—Spanish: 5.00-5.70; American: 5.00-5.20; Moroccan: per 25kg 5.50. Lettuces—Dutch: 24 2.30; French: 12 1.00-1.20. Cauliflowers—French: 24 6.50; Italian: 12 2.80-3.00; Jersey: 7.00.

English produce: Apples—Per pound Bramley's Seedlings 0.08-0.11, Worcester Pearmain 0.06, Cox's Orange Pippin 0.08-0.14, Golden Delicious 0.08-0.09. Pears—Per pound Conference 0.08-0.10, Glou Morceau 0.08, Comice 0.11-0.12. Potatoes—Per bag 3.50-4.50. Carrots—Per net 12½kg 1.00-1.40. Lettuces—Per round 1.00-1.20. Celery—Per 18/20 prepacked 2.80, ordinary 20 2.00, 30 1.00-1.10. Onions—Per 25kg net 4.30-4.60, picklers No. 1 56lb 3.50, cocktail 10kg 0.90-1.00. Cabbages—Per net/box 1.20-1.30. Cauliflowers—Per 12 Kent 2.00-2.40. Swedes—Per 28lb Devon 0.80, Scottish 0.80, Yorkshire 0.80.

PALM OIL

LONDON PALM OIL TERMINAL—The physical market continued trading at fractionally higher levels than Wednesday but with no new features in this market activity was light. The terminal sector saw a livelier day with higher asking levels on the new positions, reports Faure Fairclough. The market was steady. Closing prices: Dec. 297.50-280.50; Feb. 295.00-295.00; April 293.00-283.25; June 292.00-290.50; August 293.50-293.00; Oct. 293.00-282.00; Dec. 292.00-281.00. Total sales: 23 lots.

*

COTTON—Liverpool. Spot and shipment sales amounted to 46 tonnes, bringing the total for the week to 114 tonnes, reports F. W. Tattersall. Dearth of demand continued involving only four contracts in various American-type varieties. Users were not disposed to anticipate requirements apart from specialist Middle Eastern qualities.

*

GRIMSBY FISH—Supply poor and demand strong. Prices per stone at ship's side (unprocessed): Shelf cod £4.00-£4.90, codlings £3.60-£4.90; medium haddock £4.20-£4.50, small haddock £3.20; large plaice £4.30, medium plaice £4.00, best small plaice £3.20-£3.40; skinned dogfish (medium) £3.20, large £4.90; rockfish £2.30-£2.60; reds £1.60-£2.20; saithe £2.40-£2.90.

PHILIPPINE COPRA CUT FORECAST

MANILLA, Dec. 2.

Philippines copra production in the 1977 crop year could be between 5 per cent. and 10 per cent. lower than this year because of decreased rainfall, industry sources here predict.

Anticipated production for 1976 is about 2.6m. tonnes, 200,000 above last year. The effects of lower rainfall this year will not be felt until the 1977 season, they explained.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated

	Dec. 2 1976	+ or —	Month ago
Metals			
Aluminium (u)	£579	....	£579
Free Market (cis)	$880-900	....	$890-910
Copper			
Cash Wire Bars (u)	£743	+0.5	£774.5
3 months do. do. (u)	£775.5	+0.25	£809.75
Cash Cathode (u)	£750	—0.5	£762.5
3 months do. do. (u)	£762	—0.5	£797.5
Gold........Troy oz.	$130.875	+0.25	$124.875
Lead Cash (u)	£274.25	—0.75	£275
3 months (u)	£287.75	—0.5	£288.25
Nickel (u)	£3,286	....	£3,361
Free Market(cif)(lb)	$1.8-2.05	—0.05	$2.0-2.1
Platinum(bltroyoz.	£105-109.5	....	105-109.5
Free Market	£93.35	+0.5	£95.2
Quicksilver(76lb)(z)	$107-112	+2	$90.85
Silver Troy oz.	260p	+3.45	64.65p
3 months	270.3p	+5.45	275.4p
Tin Cash (u)	£5,022.5	+3.5	£4,875
3 months (u)	£5,205.5	—39.5	£5,055.5
Wolfram 22.04 lb.cif	£86-89	....	£85.87
Zinc Cash (u)	£365.5	—1.0	£356.75
3 months (u)	£382.25	—1.5	£374.40
Producers (r)	$795	....	$790
Oils			
Coconut Malayan	‡	....	‡
Groundnut	£532	....	£556
Linseed Crude(u)	£450	....	£450
Palm Malayan (u)	$458g	—	$458
Soyabean (u)	‡		‡
Seeds			
Copra Philippines	$370k*	—	$357.5
Gr'nuts Nigerian	‡		‡
Linseed Can. No. 1	£184q	—4.5	£208.75
Grains			
Barley EEC	—	....	£78.5
Home Futures	£78.8i	—0.55	£78.2
Maize			
French No. 3 Am.	£79.50g	....	£79
S.A. Yellow	‡		‡
Wheat			
No. 1 Red Spring	—		‡
No. 2 Hard Winter	£75.9g	—0.55	£81.85
Australian a.q.	‡		‡
English Milling (r)	£85.25i	....	£87.5
Cocoa Shipment (u)	£1,963	+63.5	£1,965
Futures March	£1,853.75	+63.75	£1,885.5
Coffee shipment (c)			
Futures Mar. (u)	£2,401	+0.5	£2,177.5
Cotton 'A' Index cent	84.95	—0.40	87.45
Jute LJABWC (d)	$384k	....	$380
Rubber kilo	57.75p	—1.15	59p
Sisal BASL (u)	$600k	....	$600
Sugar (Raw)	£118	—2	£114
Wooltops 64s....kilo	299p	—4	321p
Cloves (Madagascar)	£4,100k	....	£3,250
Pepper White...ton	£1,465k	....	£1,500
Black...ton	£1,(illegible)k*	....	£1,300

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa. U.S. cents a pound. d Bangladesh white "C." h Jan.-Feb. i Jan.-March. j Jan. k Dec.-Jan. o April-May. u Metric tons.

FINANCIAL TIMES

Dec. 2	Dec. 1	Month ago	Year ago
245.83	245.57	248.03	169.51

(Base: July 1, 1952=100)

REUTER'S

Dec. 2	Dec. 1	Month ago	Year ago
1532.1	1535.6	1531.0	1141.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Dec. 2	Dec. 1	Month ago	Year ago
Spot	354.32	352.80	351.68	291.12
Futures	355.42	351.56	354.13	280.43

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 2	Dec. 1	Month ago	Year ago
Spie Commodity	827.9	823.1	803.5	745.2

(December 31, 1931=100)

*

COPRA—Philippines (per tonne): Dec. and Jan. $370 to $375 resellers cif North European ports.

U.S. Markets

Cocoa firm as coffee rises again

NEW YORK, Dec. 2.

SOYABEANS were supported by good underlying fundamental factors. Corn and wheat were very dull. Metals all closed nearly unchanged in quiet conditions. Coffee finished higher on trade and commission-house buying following reports of coffee rust in the growing areas of Nicaragua. Cocoa ended limit-bid on short-covering and fears of small African purchase figures, Bache comments.

Cocoa—Ghana spot 150½ nom. (146½). Bahia spot 147½ nom. (143½). Dec. 139.20 (134.15). March 132.65 (128.65). May 127.85. July 122.70. Sept. 115.40. Dec. 108.63. March 104.50 nom. Sales: 1,327 lots.

Coffee—"C" Contract: Dec. 190.00-191.00 (190.30). March 190.25-190.50 (189.26). May 191.50-192.00. July 194.20-193.75. Sept. 194.00-194.50. Dec. 191.00. March nil. Sales: 1,463 lots.

Copper—Dec. 56.70 (same). Jan. 57.00 (same). Feb. 57.40. March 57.80. May 58.70. July 59.70. Sept. 60.60. Dec. 61.60. Jan. 62.00 setts. Sales: 2,250 lots.

Cotton—No. 2: Dec. 78.30-78.40 (78.55). March 78.90-79.00 (79.10). May 79.35. July 78.40. Oct. 72.00-72.07. Dec. 67.40. March 77.50 bid. May 67.50 bid. Sales: 2,650.

⊕Gold—Dec. 131.40 (same). Jan. 131.50 (same). Feb. 132.10. April 133.10. June 134.20. Aug. 135.40. Oct. 136.60. Dec. 137.90. Feb. 139.20. April 140.50 setts. Sales: 2,504 lots.

Greasewool—Spot 150.0 nom. (150.0 nom.). Dec. 165.0 bid (172.0). March 179.0 bid (same). May Unquoted.

†Lard—Chicago loose 15.50 (same). New York prime steam 20.00 asked.

††Maize—Dec. 238½-238 (239¾). March 246½-246½ (247¾). May 250½-251. July 253½-254. Sept. 253½-253½. Dec. 252.

‡Platinum—Jan. 156.20 (156.50). April 158.50 (158.70). July 161.10. Oct. 164.20. Jan. 166.20-166.40. April 169.70. Sales: 87 lots.

‡‡Silver—Spot 430.50 (425.50). Dec. 431.90 (432.80). Jan. 434.10 (435.30). Feb. 436.20. March 438.30. May 442.40. July 446.60. Sept. 450.90. Dec. 455.20. Jan. 460.60. March 465.50 settlements. Sales: 13,900 lots.

*Soyabeans—Jan. 679-680 (677). March 683-684 (679½). May 677½. July 671½. Aug. 660-661. Sept. 629-630. Nov. 612½-612.

Soyabean Meal—Dec. 193.20-193.50 (192.20). Jan. 195.30-195.10 (194.70). March 197.30-197.00. May 194.00-194.50. July 191.50-192.00. Aug. 159.00-159.50. Sept. 154.50-185.00. Oct. 173.00-173.50. Dec. 173.50.

§Soyabean Oil—Dec. 21.35-21.40 (21.24). Jan. 21.55-21.53 (21.39). March 21.60. May 21.65-21.95. July 21.95. Aug. 21.70-21.75. Sept. 21.20-21.30. Oct. 20.70-20.75. Dec. 20.70-20.75.

Sugar—No. 11: Spot 7.70 (7.75). Jan. 7.95-8.00 (7.95). March 8.43-8.47 (8.49). May 8.51-8.60. July 9.00. Sept. 9.10-9.09. Oct. 9.10-9.11. Jan. unquoted. March 9.47. May 9.70-9.67. Sales: 3,629.

Tin—370.00-387.00 asked (same).

**Wheat—Dec. 256½ (256). March 268½-268½ (267). May 270½. July 273. Sept. 279½. Dec. 287½.

WINNIPEG, Dec. 2. ††Rye—Dec. 227½ bid (227½). May 93.00 bid (93.10). July 93.60 bid.

††Oats—Dec. 119½ (117½ bid). May 79.00 asked (78.70 asked). July 79.50 bid.

††Barley—Dec. 184 (191½ bid). May 90.90 (90.40 asked). July 91.50 bid.

§Flaxseed—Dec. 643½ bid (648½ bid). May 265.80 (267.00 asked). July 269.50 asked.

Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 360½ (362½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ⊕ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. § New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. ¶ Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. ¶ Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

COMPANY NOTICES

TRANSPARENT PAPER LIMITED ORDINARY SHARES

An interim dividend in respect of the year ending 2nd April, 1977, of 1.66p is declared on the issued Ordinary Shares of the Company. The dividend is payable on 5th January, 1977 to Shareholders on the registers as at 6th December 1976.

By Order of the Board,
P. Maclean,
Secretary.

Registered Office,
Bridge Hall Mills,
Bury, Lancashire.

STOCK EXCHANGE REPORT

Equity leaders fluctuate narrowly in idle trading

Share index down 0.4 at 300.9—BP dip and rally

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12

* "New time" dealing may take place from 9.30 a.m. two business days earlier.

With business down to a trickle in stock markets yesterday—official markings of 3,530 were the lowest for about 16 months—it was left to special situations to provide some interest. Activity in the leaders was barely sufficient to test prices and, after fluctuating within narrow limits, prices closed without much alteration on balance. The FT 30-share index closed 0.4 off on the day at 300.9 after moving between extremes of 301.8 and 299.4. The continuing low level of trade again reflected a marked reluctance by potential investors to atke a view before the economic decisions to secure the IMF loan become known. Compared with most of the other leaders—British Petroleum were traded freely, and fell to 716p on disappointment with the quarterly results before recovering strongly, mainly on U.S. support, to close 8 up on balance at 736p.

Apart from short-dated issues which recorded fractional movements either way, British Funds closed without alteration after an uneventful session. The Government Securities index held at 58.32.

The continuing steady stream of bids kept interest alive in other possible take-over candidates, but movements otherwise were few and far between in secondary issues. Overall, the trend was mixed, rises being almost matched by falls in FT-quoted Industrials. The FT-Actuaries Index hardened 0.3 per cent. to 131.15.

Funds mark time

Still content to await positive developments connected with Britain's application for an IMF loan, the market in British Funds was idle. In these circumstances, little interest was aroused by last month's slightly improved official reserves and reports that the TUC may agree to a further period of wage restraint. Business was very thinly spread and the medium/longs, after looking a touch easier at the outset, reverted to overnight list levels, while the majority of shorter-dated issues eased a shade.

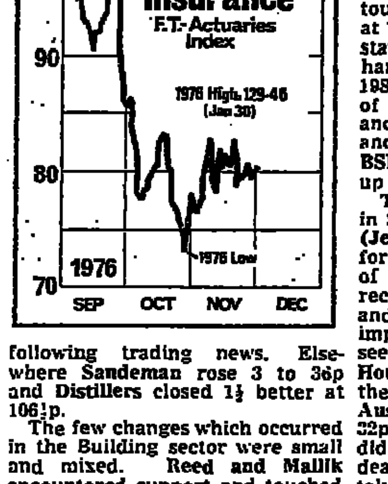
Reports of a divergence of opinion at the Geneva peace talks weighed on Southern Rhodesian bonds which sustained falls to five points; the 6 per cent., 1971-81, lost that much to £56.

Revived institutional demand and further arbitrage offerings combined to enliven trading in investment currency with the result that the premium improved to 120¾ per cent. before reacting to close a net ½ lower at 118¾ per cent. Yesterday's SE conversion factor was 0.7136 (0.7149).

Banks quietly firm

Quietly firm conditions prevailed in the big four Banks. Barclays, 208p, and National Westminster, 183p, both rose 6 more, while Lloyds hardened 3 at 173p; Midland were unaltered at 210p. Bank of Scotland were not left behind, rising 7 more to 207p but National and Commercial ended a penny off at 52p, after 51p, despite preliminary results which were in line with market expectations. A dull market since last week-end's 17½ per cent. devaluation of the country's currency, Australian Banks staged a modest rally apart from ANZ which remained friendless at 284p, down a peny. Merchant Banks were harder in places. Brown Shipley added 5 at 100p and Guinness Peat improved 3 to 136p. Provident Financial gained 3 to 44p in Hire Purchases. The quietest day for quite some while on the Insurance pitch ended with prices displaying no set trend. "Royals" shed 4 to 238p but C. E. Heath put on 3 to 393p as did Hogg Robinson, to 126p.

Satisfactory preliminary results failed to bolster Bass Charrington which cheapened 2 to 68p; sentiment is still clouded by the dispute surrounding the recent dismissal of former director Stanley Williams. Buckley's eased a penny to 29p despite higher first-half earnings, while Davenports remained unaltered at 42p following trading news. Elsewhere Sandeman rose 3 to 36p and Distillers closed 1½ better at 106½p.



The few changes which occurred in the Building sector were small and mixed. Reed and Mallik encountered support and touched 26p before closing at 25p, up 2 on balance. In contrast, the downturn in the half-yearly profits prompted a loss of 2 to 18p in Thomas Warrington. Aberdeen Construction, 39p, and J. Carr, 26p, also recorded falls of 2, while Ben Bailey were 1 lower at 8p. On the other hand, Marchwiel were favoured at 95p, up 3p, along with Marley which closed 2 dearer at 34p.

ICI traded quietly and, after moving between narrow limits, closed 1 to the good at 286p. Elsewhere in the Chemical sector, Coalite and Chemical were a bright spot at 14½p, up 1½p, after 15p, on the increased interim dividend and profits and the encouraging statement.

Racal react

A firm market recently ahead of yesterday's interim statement, Racal reacted to 203p on the news before rallying to close 7 down on balance at 208p. Leading Electricals moved narrowly in line with general conditions, with GEC touching 138p before closing 1 up at 136p in front of to-day's interim statement. EMI, on the other hand, were a touch easier at 198p, before ending with a gain of 2, at 201p. Thorn Ordinary and "A" both put on 4 to 152p, and other firm spots included BSR, 83p, and Muirhead, 98p, both up 3. BICC shed 3 to 78p.

There was nothing to inspire in Stores shares although Ratners (Jewellers) moved up 3 to 47p for a gain thus far on the week of 7. Gains of 3 were also recorded in Gussies "A," 138p, and Burton "A," 35p, while improvements of a penny were seen in Woolworth, 44½p, and House of Fraser, 60p. UDS, on the other hand, shed 1 to 46p. Austin Reed "A" came back 2 to 32p, while Selincourt, ½ off at 9p, did not benefit from the French deals involving the company taking over St. Joseph Manufacturing and also receiving aid for its Tricosa subsidiary.

The latest developments in the passage of the Aerospace/Shipbuilding Bill through Parliament helped Hawker improve 6 to 396p and Robb Caledon regain 5 to 45p. Engineerings otherwise moved narrowly with the exception of those benefiting from news items. Whessoe rose 5 to 46p on the first-half return to profitability and United Wire picked up 2½ to 38½p following news of the doubled profits. Awaiting the outcome of Court moves relating to the bid situation, Dunford and Elliott hardened 1 to 25p, while Johnson and Firth Brown remained at 41p. Elsewhere, Spear and Jackson put on 2 to 86p, still reflecting bid speculation, and for a similar reason A. Cohen jumped 10 to 130p in a thin market. Young Austen and Young closed 4 higher at 46p, but Weyburn fell 5 to 305p.

Small mixed price movements in Foods took in a rise of 2½ to 31p in Gateway Securities on speculative support. Rowntree Mackintosh stood out with a rise of 6 to 182p, but other gains were minimal. Comment that the beet crop may be hit by frost lowered British Sugar 10 to 230p. Other dull spots included Spillers, 1 off at 22½. Epicure were firm again, rising 1½ to a 1976 peak of 29½p, while Leisure and General put on the same amount to 26½p. Ladbroke, in contrast, came back 1½ to 85p after the recent speculative rise.

Sangamo Weston jump

The volume of business contracted further in the Miscellaneous Industrial leaders yesterday, but Beecham and Glaxo were relatively active; the former closed 6 better at 338p, while the latter, helped by Press comment, went on to finish 8 to the good at 368p. Pilkington, however, shed 10 to 263p; the interim results are due next Wednesday. Reed International gave up 7 to 171p and Metal Box declined 6 to 218p. Scottish and Universal Investments hardened 2 more to 56p, still on relief that the Stock Exchange Special Committee's report on chairman Sir Hugh Fraser's share dealings is now known. Secondary issues were highlighted by Sangamo Weston which jumped 35 to 147p in response to news that Schlumberger, 1½ points up at £82¼, is offering 155p for each S.W. share it does not already own. Buying in a thin market prompted a gain of 10 to 75p in Charles Hill of Bristol, while improvements of 4 were recorded in De La Rue, 229p, and International Computers, 124p. Bid hopes continued to bolster Ozalid which gained 2 more to 87p, and higher first-half earnings left Hargreaves a similar amount harder at 37p. By way of contrast, Judge International lost a penny to 8p on the dividend omission and near £1m. loss.

The few scattered movements in Motors and kindred issues were usually restricted to a penny. Godfrey Davis, however, shed 2 to 26½p following news of the Board's decision to cease operations in Germany and to liquidate the subsidiary there. Reliant held at 4½p following the interim statement, while Automotive Products also ended unaltered, at 44p, after a flurry which had taken the price to 48p on speculation about the disposal of Mr. F. S. Bray's shares; the announcement of the Board change involving Mr. Bray's retirement for age reasons was accompanied by a denial of the rumours of a share deal.

Newspapers and Printings were possibly quieter than most surrounding sections and Daily Mail "A," in the absence of any fresh buying interest, eased to close 5 down at 180p, while occasional support lifted Dolan Packaging 2 to 60p.

BP rally quickly

A quick recovery from third-quarter figures some way below market expectations left British Petroleum 8 higher on the day at 736p, after 716p; U.S. sources provided the main impetus in the late demand although some local buying probably represented hasty bear closing. Shell were encouraged by the movement and rallied from 400p to end a net 2 better at 406p, while the early rise in the dollar premium helped Royal Dutch regain ½ to £40. Ultramar lost 2 to 102p and despite the increased profit forecast Oil Exploration shed 1 to 81p. Australian issues steadied and Woodside-Burmah picked up 3 to 93p.

A fresh demand found the Property market selectively short of stock and many issues responded accordingly. At the same time, speculative enthusiasm was aroused for old bid candidates such as Samuel, up 3½ at 37½p, Haslemere Estates, 6 higher at 146p, and Great Portland, which rose a like amount to 188p. In thin markets, Hammerson "A," 270p, and Property Holding, 196p, both spurted 10, while United Real gained 6 to 182p. Ahead of Tuesday's interim figures, Churchbury Estates moved up 6 to 118p. Renewed bid speculation lifted City Offices 3½ more to 37p, while Avenue Close advanced 5 to 45p. Leading issues were well traded but finally only Land Securities made any real improvement, closing 3 better at 115p. News of the increased dividend and profits prompted a gain of 4 to 140p in A. and J. Mucklow.

In Overseas Traders, Sime Darby showed renewed firmness at 104, up 2, still on hopes about a settlement of the dispute with Pernas. Booker hardened 3 to 106p. After the previous day's rise of 3, however, Lonrho reacted 1 to 58p despite the good profits showing.

Investment Trusts contained a few Press-inspired firm spots. Winterbottom rose 4 to 126p, while Edinburgh and Dundee gained 3½ to 104½p and Continental and Industrial added a penny to 131p. In Financials, Maidenhead Investments pu on 3 to 24p.

Shippings again came in for a fair amount of enquiry and the closing trend was mixed. Still drawing strength from a bullish broker's circular, Common Bros. improved 4 more to 120p. After moving between extremes of 109p and 106p, P. & O. Deferred closed a net 1½ lower at 107½p.

Still reflecting the return to profitability in the first-half year, Parkland "A" hardened a penny more to 23p in Textiles. Highams edged forward a penny to 27p in front of to-day's interim figures but Shiloh Spinners eased that much to 20p on the interim statement. Courtaulds drifted down 2 to 79p. Tobacco leaders closed mixed. Imps improved 1½ to 50p, but BATs Industries eased 2 to 251p with the Deferred steady at 210p.

South African Industrials were generally barely changed, but Anglo Transvaal Industries, 90p, and Hulett's, 106p, came back 5 and 4 respectively.

Northgate leap

Revived talk of a possible bid for Northgate Exploration caused the company's shares and those of its associates to advance strongly in otherwise idle mining share markets. A strong demand, mainly from Canada, left Northgate 70 higher at 410p, after a year's high of 440p, Westfield Minerals 18 up at 115p, after 120p and Anglo United 2 firmer at 68p, after 73p.

Australians, which slumped dramatically in London following the week-end 17½ per cent. devaluation, staged a modest rally in line with overnight home markets. Uraniums were particularly firmer following the recommendation by 18 trades unions involved in the mining and handling of uranium that overseas contracts already entered into for the supply of uranium oxides should be honoured.

Panconfineneal and Peko-Wallsend were both around 20 higher at 700p and 330p respectively while EZ Industries rallied [illegible] 240p. Otherwise in Australians BH South regained 10 to [illegible] and CRA recovered 20 to 2[illegible].

Golds eased in afternoon [illegible] ing after a firmer opening [illegible] ing a like movement in the [illegible] price, which was finally 25 [illegible] to the good at $130.875, [illegible] $131.15 per ounce.

Randfontein continued to [illegible] tract support, the shares [illegible] another point better at a [illegible] high of £23½ in front of the [illegible] dividend. Among the lower [illegible] issues, East Driefontein closed [illegible] up on balance at 640p, after [illegible]. The Gold Mines index edged [illegible] 0.4 to 132.5.

Rio Tinto-Zinc were a [illegible] spot in Financials. The shares [illegible] 5 to 142p reflecting the [illegible] fall in the copper price. [illegible] Fields improved 2 to 154p [illegible] bullion considerations.

Copper and Platinums remained idle but Tins were better, [illegible] changed. Malayan and Southern Malayan were both 5 up at 2[illegible] and 172p respectively.

FINANCIAL TIMES STOCK INDICES

	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 26	[illegible]
Government Secs.	58.32	58.32	58.10	58.34	58.59	[illegible]
Fixed Interest	57.92	57.92	57.64	58.01	57.91	57.96
Industrial Ordinary	300.9	301.3	297.6	302.4	302.5	302.5
Gold Mines	132.5	132.1	131.6	130.9	132.7	130.2
Ord. Div. Yield	7.20	7.23	7.32	7.22	7.21	7.32
Earnings Y'ld % (full)	22.55	22.61	22.93	22.61	22.59	[illegible]
P/E Ratio (net)	5.49	5.48	5.38	5.47	5.48	5.48
Dealings marked	3,530	5,810	4,195	4,016	4,125	5,942
Equity turnover £m	—	38.27	43.12	39.53	43.47	40.80
Equity bargains total	—	9,605	9,051	9,087	10,378	9,482

10 a.m. 301.3. 11 a.m. 301.1. Noon 299.4. 1 p.m. 300.4. 2 p.m. 300.4. 3 p.m. 300.5.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.41.
Basis 100 Govt. Secs. 15.10.26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.41	56.88	127.4	49.18
Fixed Int.	64.43	55.47	150.4	50.53
Ind. Ord.	420.8	265.3	549.2	49.4
Gold Mines	246.9	78.9	442.3	43.5

S.E. ACTIVITY

	Dec. 2	Dec. 1
Daily		
Gilt-Edged	169.4	161[illegible]
Industrials	109.9	120[illegible]
Speculative	21.7	21[illegible]
Totals	80.3	86[illegible]
5-day Av'rge		
Gilt-Edged	164.2	169[illegible]
Industrials	132.0	124[illegible]
Speculative	26.0	26[illegible]
Totals	80.6	81[illegible]

NUS travel vouchers 'will be honoured'

STUDENTS WHO collected vouchers for Continental [illegible] journeys issued by the National Union of Students Travel Service before it collapsed on November 18 will have them honoured, British Rail Sealink said yesterday.

Between 200 and 500 students hold the Eurotrain vouchers, [illegible] said. It decided to honour the vouchers—if they are presented at Victoria Station in London—after taking legal advice.

British Rail's financial and legal officers are examining the books of the NUS Travel Service.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, December 2, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Wed. Dec. 1 Index No.	Tues. Nov. 30 Index No.	Monday Nov. 29 Index No.	Friday Nov. 26 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	112.36	−0.1	24.26	8.48	6.13	6.08	112.42	110.83	113.00	113.27	137.83	160.06 (21/4)	100.85 (28/10)	206.57 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	92.62	−0.9	25.06	10.43	6.00	5.99	93.46	93.02	95.31	95.72	131.54	150.16 (10/1)	85.53 (27/10)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	136.68	−0.2	32.68	7.98	4.72	4.72	136.91	137.63	137.84	138.40	247.95	260.30 (15/1)	122.08 (27/10)	389.33 (18/5/72)	71.48 (2/12/74)
4	Electricals (16)	216.54	+0.7	20.40	6.49	7.29	7.09	216.94	211.50	218.12	218.19	244.47	287.30 (21/4)	190.64 (27/10)	380.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	142.62	−0.4	33.89	9.04	4.29	4.23	143.24	140.55	143.01	143.88	158.41	193.18 (5/5)	123.66 (27/10)	202.57 (8/5/72)	64.39 (2/1/75)
6	Engineering (General) (65)	106.71	−0.1	24.45	8.79	6.04	6.03	106.78	105.00	106.82	107.23	119.44	149.29 (5/5)	95.20 (28/10)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	51.45	−0.2	18.21	8.63	8.22	8.20	51.58	50.42	50.74	50.76	48.33	60.62 (5/5)	45.29 (11/10)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	97.91	−0.3	22.86	9.31	6.40	6.33	98.21	97.85	97.83	97.38	117.45	141.94 (11/5)	90.25 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	96.43	—	25.27	7.42	5.92	5.92	96.41	95.13	97.06	97.24	112.97	141.46 (21/4)	85.12 (28/10)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	102.96	+0.5	23.55	5.70	6.31	6.30	101.42	100.86	103.98	104.62	125.22	160.55 (7/4)	87.51 (27/10)	257.41 (13/5/72)	42.86 (13/12/74)
11	Household Goods (13)	107.75	−0.4	28.37	11.16	5.37	5.35	108.22	108.17	108.75	108.60	163.86	187.22 (7/4)	104.30 (28/10)	263.22 (4/5/72)	63.94 (17/12/74)
12	Motors and Distributors (25)	66.13	−0.5	26.63	8.61	5.64	5.64	66.47	65.52	66.21	66.11	66.93	85.16 (5/5)	56.10 (28/10)	170.39 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	116.55	−0.1	19.64	8.40	7.70	7.62	116.70	114.65	116.73	116.47	146.49	162.24 (4/2)	104.41 (27/10)	226.08 (15/8/72)	61.41 (13/12/74)
14	Breweries (15)	119.02	−1.1	20.04	9.66	7.48	7.48	120.28	117.89	119.19	119.40	161.24	179.43 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	135.86	+0.1	17.71	8.34	8.66	8.66	135.75	133.48	134.66	130.63	159.23	190.67 (5/5)	124.71 (28/10)	257.40 (15/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (15)	145.41	−0.3	18.16	9.20	8.40	8.32	145.79	143.61	146.56	147.20	181.44	211.26 (8/5)	127.11 (26/10)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (23)	133.02	+0.5	21.64	7.02	6.97	6.85	132.37	130.33	133.74	133.60	159.89	179.44 (11/5)	120.54 (27/10)	211.65 (1/5/73)	59.67 (11/12/74)
18	Food Retailing (16)	110.97	—	17.65	7.15	8.31	8.31	110.94	110.62	112.71	111.70	142.20	150.05 (12/1)	92.79 (28/10)	235.08 (16/5/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	178.05	−0.3	14.60	6.02	10.38	10.38	178.66	175.32	178.67	177.72	160.35	184.46 (11/5)	148.46 (12/10)	260.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (12)	80.48	−1.8	32.19	10.00	6.91	6.91	81.91	80.61	82.43	84.08	99.48	112.50 (26/2)	72.54 (27/10)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	90.84	+0.7	17.00	7.86	9.06	9.04	90.24	88.07	88.99	89.32	122.64	136.24 (2/2)	78.47 (26/10)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (24)	104.47	−1.0	19.51	11.34	8.05	7.31	105.57	103.25	105.65	106.64	155.59	183.24 (5/1)	96.76 (27/10)	235.72 (17/1/69)	62.66 (11/12/74)
23	Tobaccos (3)	186.01	−0.8	23.56	9.29	6.31	6.31	187.50	184.45	188.68	185.94	212.47	241.98 (5/5)	167.56 (28/10)	359.16 (2/8/72)	94.54 (15/6/62)
24	Toys and Games (6)	68.32	—	24.23	9.28	5.53	5.51	68.32	67.95	68.92	69.05	60.53	80.95 (16/7)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	175.42	+0.4	18.43	6.58	7.38	7.38	174.65	170.73	175.97	177.16	189.22	231.58 (5/5)	155.10 (27/10)	231.58 (5/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	62.68	+0.2	19.28	8.43	7.58	7.58	62.55	62.38	62.91	64.30	86.79	100.18 (19/5)	58.33 (28/10)	246.06 (1/9/72)	46.34 (2/1/75)
27	Shipping (12)	344.01	−0.9	15.49	7.72	9.24	8.41	346.97	337.65	343.81	338.46	378.08	482.64 (30/1)	308.48 (26/10)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	121.68	−0.2	19.53	9.69	7.70	7.69	121.90	119.92	121.84	121.49	149.51	172.98 (21/4)	108.14 (27/10)	258.85 (2/6/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	120.19	—	20.71	8.16	7.14	7.08	120.22	118.15	120.54	120.61	145.86	168.66 (5/5)	107.32 (27/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	387.96	+0.8	10.98	4.52	10.55	9.71	384.81	386.88	391.14	390.83	322.42	395.64 (20/5)	310.67 (11/10)	431.66 (29/1/69)	87.23 (29/5/62)
31	500 SHARE INDEX	141.40	+0.1	18.73	7.42	7.64	7.49	141.20	139.41	141.97	142.01	160.58	[illegible] (5/5)	[illegible] (27/10)	227.95 (16/5/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	99.15	+0.8	—	7.93	—	—	98.37	96.64	98.20	97.94	132.13	155.46 (30/1)	87.19 (28/10)	241.41 (1/5/72)	55.88 (13/12/74)
33	Banks (6)	120.65	+1.9	28.00	7.62	5.49	5.49	118.42	116.14	118.36	118.60	163.65	192.16 (23/1)	111.55 (27/10)	288.32 (30/7/73)	63.44 (12/12/74)
34	Discount Houses (10)	130.90	+0.6	—	10.64	—	—	130.16	129.48	130.94	132.68	163.53	186.52 (13/1)	97.72 (28/10)	295.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	66.38	+1.4	10.90	9.88	20.42	20.42	65.47	64.62	66.87	66.87	95.23	132.10 (26/2)	63.85 (27/10)	433.74 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	80.41	−0.2	—	9.41	—	—	80.55	79.68	80.81	79.91	115.36	129.46 (30/1)	73.11 (28/10)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	77.84	−0.9	—	9.50	—	—	78.52	76.99	78.28	77.93	105.00	119.75 (30/1)	68.99 (28/10)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	213.29	+0.4	14.09	6.53	10.63	10.63	212.52	210.01	211.75	214.15	230.04	276.90 (1/12)	173.27 (27/10)	276.90 (1/12/76)	65.86 (16/12/74)
39	Merchant Banks (15)	49.34	+0.6	—	8.51	—	—	49.06	49.09	49.78	50.35	84.72	93.85 (27/1)	45.15 (22/10)	278.67 (1/5/72)	31.21 (7/1/75)
40	Property (32)	125.11	+2.6	5.13	4.42	34.73	32.85	121.94	118.66	120.44	118.42	154.31	194.57 (30/1)	95.95 (27/10)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	60.71	—	22.13	14.20	6.87	6.87	60.71	60.71	60.71	61.47	79.10	91.98 (5/5)	55.37 (28/10)	305.18 (26/5/72)	33.29 (11/12/74)
42	Investment Trust (50)	134.41	+1.2	4.00	5.76	25.81	25.81	132.84	131.15	131.49	130.99	168.86	184.55 (30/1)	115.39 (28/10)	245.79 (2/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	131.15	+0.3	—	7.41	—	—	130.75	128.99	131.21	131.15	163.97	172.64 (30/1)	116.29 (27/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	498.63	−0.5	8.29	5.76	16.14	14.71	501.05	510.94	515.02	509.47	373.47	523.40 (7/6)	404.67 (14/1)	556.57 (25/7/75)	84.68 (20/8/65)
45	Teas (8)	132.95	+0.5	31.72	9.25	4.15	4.01	132.27	132.52	131.46	132.20	111.31	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	153.71	—	42.15	7.28	2.37	2.37	153.71	153.71	153.71	153.71	261.41	301.47 (7/1)	143.41 (6/11)	567.78 (16/7/75)	94.09 (29/4/62)
47	Mining Finance (11)	78.89	—	11.84	6.12	9.27	9.20	78.90	78.78	80.07	81.76	111.12	119.77 (7/1)	77.55 (15/10)	175.90 (22/4/69)	66.31 (30/9/74)
48	Tins (5)	117.16	+1.9	12.07	9.49	12.74	12.58	114.93	114.93	114.93	113.52	90.86	126.56 (7/10)	86.09 (9/2)	126.56 (7/10/76)	54.83 (27/6/70)
49	Overseas Traders (13)	197.46	−0.1	18.60	6.94	7.37	7.36	197.69	196.11	198.26	198.77	214.10	254.47 (3/5)	178.81 (27/10)	254.47 (3/5/76)	97.37 (6/1/76)

	FIXED INTEREST	Thurs., Dec. 2 Index No.	Thurs., Dec. 2 Yield %	Wed. Dec. 1	Tuesday Nov. 30	Monday Nov. 29	Friday Nov. 26	Thurs. Nov. 25	Wed. Nov. 24	Tuesday Nov. 23	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.06	15.06	15.16	15.04	15.02	15.02	15.01	15.00	14.95	—	—	—	—
2	20-yr. Govt. Stocks (6)	44.26	†14.59	44.28	44.18	44.41	44.43	44.39	44.50	44.63	46.97	53.45 (30/1)	42.31 (27/10)	115.42 (11/7/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	44.50	†16.49	44.50	44.55	44.45	44.49	44.49	44.64	44.50	45.83	62.40 (21/5)	43.09 (21/11)	113.43 (25/1/65)	37.01 (6/1/75)
4	Investment Trust Prefs. (15)	43.69	15.91	43.69	43.69	43.98	43.63	43.44	43.80	43.16	46.25	51.25 (15/2)	40.54 (6/10)	114.41 (13/4/65)	34.45 (6/12/74)
5	Coml. and Indl. Prefs. (20)	60.62	14.89	60.66	60.66	60.68	60.60	60.53	60.32	60.32	63.90	71.97 (2/2)	54.89 (8/10)	114.96 (7/1/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	[illegible]			
Industrial Group	31/12/70	[illegible]			
Miscellaneous Financial	31/12/70	[illegible]			
Food Manufacturing	29/12/67	[illegible]			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 28p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10 Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows, dividend and earnings figures are [illegible].

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	14	210	—	225	183
ICI	£1	12	286	+1	402	256
BP	£1	10	736	+8	744	557
Chloride 'New'	Nil/pd.	8	14*	+2	14*	8*
Racal Electronics	25p	8	208	−7	266	155
Reed Int'l.	£1	8	171	−7	274	156
Shell Transport	25p	8	406	+2	462	332
Bowater	£1	7	156	−1	230	122
Comm'l Union	25p	7	88	—	158	75
Distillers	50p	7	106½	+1½	158	95½
GEC	25p	7	136	+1	168	112
P & O Defd.	£1	7	107½	−1½	119	87
Assoc. Eng. 'New'	Nil/pd.	6	11½*	+½	11½*	4*
Barclays Bank	£1	6	208	+6	350	190
Glaxo	50p	6	368	+8	422	280

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (c).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22
Dec. 21	Jan. 11	Mar. 24	Apr. 5

Calls were arranged in Swan Hunter, Lonrho, Gateway Securities, British Petroleum, Consolidated Plantations Warrants, Norwest Holst, Fitch Lovell and Turner and Newall. No puts were reported, but Bowater and Commercial Union were dealt in for the double. No short-dated options were reported.

Industrials		E.M.I.	17	Marks & Spencer	[illegible]	Brit. Land	3½
A. Brew	5½	Fitch Lovell	8	Midland Bank	22	Cap. Counties	5
A. P. Cement	15	Gen. Accident	12	Nat'l West Bank	20	E.P.	6
Assoc. Leisure	5	Gen. Electric	13	"Do" Warrants	7½	Intereuropean	7
BSR	9	Glaxo	35	P & O Dfd.	11	Land Securities	14
Babcock	8	Grand Met	7	Plessey	7	MEPC	7
Barclays Bank	22	G.U.S. 'A'	16	R.H.M.	5	Peachey	6
Berry Wiggins	5	Guardian	18	Rank Org. 'A'	18	Samuel Props.	4½
Beecham	28	G.K.N.	45	Reed Int'l	25	Town & City	2½
Boots	12	Hawker Sidd.	56	Reyrolle	11		
Bowater	16	House of Fraser	8	Rothmans	4	Oils	
B.A.T.	21	I.C.I.	40	Slater Walker	4	Brit. Petroleum	40
British Leyland	5	"Imps"	7	Spillers	4	Burmah Oil	4½
BOC	5½	I.C.L.	14	Tesco	4	Shell	27
Brown (J.)	9	Inveresk	7	Thorn 'A'	22	Ultramar	14
Burton 'A'	6½	Legal & General	12	Trust Houses	9		
Cadbury	5	[illegible]	11	Tube Invest.	7	Mines	
Cavenham	13	Lex Service	6½	Unilever	38	Charter Cons.	15
Courtaulds	11	Lloyds Bank	28	Utd. Drapery	8	Chart'hse Fin.	4
Debenhams	5	"Lots"	5	Vickers	15	Cons. Gold	15
Distillers	15	London Brick	3½	Williams Hud'n	4	Hampton Areas	12
Dunlop	7½	Lonrho	9	Woolworths	6	Rio T. Zinc	18
Eagle Star	11	Lucas Inds.	40			Western M'ng.	18
		[illegible]	7	Property			

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (7)

CORPORATION LOANS (1)
Essex 5½pc '75-77
BUILDINGS (1)
Reed and Mallik
ELECTRICALS (1)
Sangamo Weston
HOTELS (1)
Epicure
PROPERTY (1)
Control Securities
OILS (2)
LASMO 14pc '81-83 SCOT 14pc '81-83

NEW LOWS (25)

AMERICANS (1)
I.U. International
CANADIANS (2)
Imperial Oil Rio Algom
BUILDINGS (7)
Aberdeen Const. Modern Engineers
Fairview Ests. Warrington
Jennings Whittingham
London Brick
DRAPERY & STORES (1)
Audiotronic
ENGINEERING (2)
Brasway Wheway Watson
FOODS (2)
British Sugar Pyke (W. J.)
INDUSTRIALS (3)
Boot (Henry) Wade Potteries
Moss (Robert)
MOTORS (2)
British Leyland Davis (Godfrey)
PROPERTY (1)
Beazer (C. H.)
SHOES (1)
K Shoes
TEXTILES (1)
Snia Viscosa
OVERSEAS TRADERS (2)
Australian Agric. Hoffnung (S.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	8	49
Corpns., Dom. and Foreign Bonds	8	4	48
Industrials	241	206	1,219
Financial and Prop.	201	35	315
Oils	10	4	21
Plantation	3	2	33
Mines	34	10	81
Recent Issues	5	—	19
Totals	507	266	1,785

BASE LENDING RATES

Allied Irish Banks Ltd. 14 %
American Express Bank 14 %
Anglo-Portuguese Bank 14 %
Henry Ansbacher 14½%
Banco de Bilbao 14 %
Bank of Credit & Cmce. 14 %
Bank of Cyprus 14 %
Bank of N.S.W. 14 %
Banque du Rhone S.A. 14½%
Barclays Bank 14 %
Barnett Christie Ltd. 15 %
Bear Securities Ltd. 14½%
Bremar Holdings Ltd. 14 %
Brit. Bank of Mid. East 14 %
■ Brown Shipley 14½%
Canada Permanent AFI 14 %
Capitol C & C Fin. Ltd. 14 %
Cayzer, Bowater Co. Ltd. 14 %
Cedar Holdings 14 %
■ Charterhouse Japhet 14 %
C. E. Coates 15 %
Consolidated Credits 14 %
Co-operative Bank *14 %
Corinthian Securities 14 %
Credit Lyonnais 14 %
G. R. Dawes 15 %
Duncan Lawrie 14 %
Eagil Trust 14 %
English Transcont. 14 %
First London Secs. 14 %
First Nat. Fin. Corp. 16 %
First Nat. Secs. Ltd. 16 %
Goode Durrant Trust 14 %
■ Antony Gibbs 14 %
Greyhound Guaranty 14 %
Grindlays Bank ‡14 %
■ Guinness Mahon 14 %
■ Hambros Bank 14 %
■ Hill Samuel §14 %
C. Hoare & Co. †14 %
Julian S. Hodge 15 %
Hongkong & Shanghai 14 %
Industrial Bank of Scot. 14 %
Keyser Ullmann 14 %
Knowsley & Co. Ltd. 15½%
Lloyds Bank 14 %
London & European 14½%
London Mercantile 14 %
Midland Bank 14 %
■ Samuel Montagu 14 %
■ Morgan Grenfell 14 %
National Westminster 14 %
Norwich General Trust 14 %
P. S. Refson & Co. 14 %
Rossminster Accept'cs. 14 %
Royal Bk. Canada Trust 14 %
Schlesinger Limited 14 %
E. S. Schwab 15 %
Security Trust Co. Ltd. 15 %
Shenley Trust 16 %
Standard Chartered 14 %
Trade Development Bk. 14 %
Twentieth Century Bk. 15 %
United Bank of Kuwait 14 %
Whiteaway Laidlaw 14½%
Williams & Glyn's 14 %
Yorkshire Bank 14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11½% and over £25,000 11¾%.
‡ Demand deposits 12%.
§ Call deposits over £1,000 11%.

CORAL INDEX
Close 300-305

INSURANCE BASE RATES

† Atlantic Assurance 14½%
Cannon Insurance 15 %
† Address shown under Insurance and Property Bond Table.

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 14¾ per cent.
(since November 19, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave a large amount of assistance. They lent a small amount overnight to one or two discount houses, at Bank of England Minimum Lending Rate, and bought a moderate number of Treasury bills and local authority bills from the houses.

Banks carried forward surplus balances from Wednesday, and a fall in the note circulation was also in the market's favour. This was outweighed by a net market take-up of Treasury bills and repayment of the previous day's official advances to the market.

Discount houses paid around 14¾ per cent. for secured call loans in the early part and closing balances were taken at about 12-13½ per cent.

In the interbank market overnight loans opened at 14¾-14⅞ per cent. and declined to 14¾-14⅞ per cent., before falling sharply at the close to 12½-13 per cent.

Rates in the table below are nominal in some cases.

Dec. 2 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills φ	Eligible Bank Bills φ	Fine Trade Bills φ
Overnight	—	12½-14⅞	—	—	—	—	—	—	—	—
2 days notice	—	—	14⅞-15	—	—	14¾	12-14¾	—	—	—
7 days or 7 days notice	—	14¾-14⅞	15-15⅛	—	15⅛-15⅝	15	14⅝-14¾	—	—	—
One month	14⅞-14 [illegible]	14⅞-15	14⅞-15	15½-14⅞	[illegible]	15¼	14¼-14½	[illegible]	14 [illegible]	15⅛-15¼
Two months	[illegible]	[illegible]	—	15½-14¾	14½-15⅝	—	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	14⅞-15	14¾-14	14⅞-15¼	—	14-13¼	14 [illegible]	14 [illegible]	15¼-15⅝
Six months	[illegible]	[illegible]	14⅛-15	14¾-14	14⅝-15¼	—	—	—	14-15¼	15¼-15
Nine months	[illegible]	[illegible]	—	14¼-15⅛	14⅝-15¼	—	—	—	—	—
One year	[illegible]	[illegible]	15⅛-15¼	14⅛-15⅛	—	—	—	—	—	—
Two years	—	—	15	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 15 per cent.; four years 15-15¼ per cent.; five years 15-15¼ per cent. φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14 5/16-14 1/16 per cent.; four-month trade bills 15½-15 per cent. Approximate selling rate for one-month Treasury bills 13 13/16-13 25/32 per cent.; two-month 13 29/32 per cent. and three-month 14-13 31/32 per cent. Approximate selling rate for one-month bank bills 14 11/16 per cent., two-month 14 9/16 per cent.; and three-month 14½ per cent.; one-month trade bills 15½-15¼ per cent.; two-month 15½-15¾ per cent.; and also three-month 15½-15 per cent.

Finance House Rates (published by the Finance Houses Association): 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 14.0042 per cent.

AUTHORISED UNIT TRUSTS

[illegible]

Equity & Law	43.7	46.0	-0.1	4.07

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	50.6	53.8	-0.2	4.49
Income Tst.	47.6	50.6	+0.2	9.29
Int. Growth Fd.	53.8	57.2	—	4.02
Do. Accum.	53.8	57.2	—	4.36

Friend's Provdt. Unit Tr. Mgrs.
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	24.1	25.7	—	6.70
Do. Accum.	29.5	31.5	—	6.70

Bishopsgate Progressive Mgmt. Co.
Bishopsgate, E.C.2. 01-588 6280

Pr.* Nov. 23	116.9	128.2	—	5.70
Accum.** Nov. 23	127.3	135.6	—	5.70
Int. Nov. 30	121.6	130.2	—	3.64
Units Nov. 30	130.1	139.3	—	3.64

Next sub. day Dec. 14. *Dec. 7.

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is listed below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

IRISH

						Conv. 9% '80/82	£79	+¼
Inv. 20p	16	—	Higsons Brew.	62	—	Alliance Gas	47	—
Spinning	34	—	I.O.M. Stm. £1	134	—	Arnott	195	—
[illegible]	21	—	Holt (Jos.) 25p	186	—	Carroll (P.J.)	95	—
Est. 50p	324	+2	Kleen-e-Ze	32	—	Clondalkin	35	—
Croft	24	—	Lovell's Ship £1.	180	—	Concrete Prods.	43	—
Rose £1	950	—	N'thn. Goldsmith	21	—	Heiton (Hldgs.)	20	—
(R.A.)	20	—	Pearce (C. H.)	85	—	Ind. News	37	—
McNally	60	—	Peel Mills	11	—	Ins. Corp.	140	—
Frk. 10p	22	—	RobbCaledonia	45	+5½	Irish Distillers	38	—
d	7½	—	Sayers 12½p	15	—	Irish Ropes	89	—
Forge	49	—	Sheffield Brick	73	—	Jacob	48	—
Pkg. 5p	16	—	Sheff. Refrshmt.	140	+2	Sunbeam	18	—
Ship. £1	300	—	Shiloh Spinn.	21	—	T.M.G.	70	—
Sleigh 10p	6	—	Sindall (Wm.)	49	—	Unidare	44	—

FOOD PRICE MOVEMENTS

	Dec. 2 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,025	1,025	1,025
British A.1 per ton	990	990	965
Irish Special per ton	990	990	965
Ulster A.1 per ton†	985	985	960
BUTTER (packet)			
NZ per 20 lb	9.51-9.59	9.51-9.66	9.51-9.66
English per cwt†	57.12	57.12	57.12
Danish salted per cwt	58.50-60.93	58.50-60.93	58.50-60.93
CHEESE†			
English cheddar rindless per tonne	990.11	990.11	990.11
NZ per tonne	896.50	896.50	896.50
EGGS*			
Home-prod. Standard	4.20-4.35	3.85-4.00	3.10-3.30
Large	4.40-4.55	3.90-4.05	3.30-3.50
	Dec. 2 per pound p	Week ago per pound p	Month ago per pound p
BEEF			
Scottish killed sides (ex-KKCF)	47.0—51.0	47.0—51.0	46.0—49.0
Eire forequarters	35.0—38.0	35.0—38.0	37.0—39.0
LAMB			
English	40.0—46.0	40.0—46.0	44.0—47.0
NZ PLs-PMs	—	47.0—47.5	43.5—47.0
PORK (all weights)	31.0—39.0	32.0—39.0	—
MUTTON			
English ewes	—	—	—
POULTRY			
Broiler chickens	29.5—32.0	29.0—31.0	29.5—32.0

* London Egg Exchange price per 120 eggs. † Delivered. For delivery December 4-11.

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101 1/2	99 1/4	Treasury 10 1/2pc 1976‡‡	99 25/32	.....	10.55	13.96
98 3/32	95 1/2	Treasury 6 1/2pc 1977‡‡	97 15/32	– 1/32	6.38	14.07
97 1/4	94 1/2	Electric 3pc '74-77	97 1/8	.....	3.09	13.64
103 5/32	97 1/16	Treasury 11 1/2pc '77‡‡	98 1/2	.....	11.67	13.59
95 1/2	91 7/8	Treasury 3pc '77‡‡	94	.....	3.19	9.74
95 5/8	92 1/4	Transport 4pc '72-77	95 1/16xd	+ 1/8	4.20	8.93
99 3/8	90 1/2	Treasury 9pc 1978‡‡	94 31/32	– 1/32	9.48	13.35
101 1/2	93 3/4	Treasury 10 1/2pc '78‡‡	95 1/16	.....	11.00	13.70
93 1/4	89 5/8	Exch 5pc '76-78	90 11/16	+ 1/16	5.51	10.76
103 3/4	92 1/4	Treasury 11 1/2pc '79‡‡	94 1/2	– 1/16	12.17	14.40
98 3/4	92 1/2	Treas. 11 1/2pc '79 'A'‡‡	94 1/4	– 1/16	12.18	14.42
89 7/8	82 1/4	Treasury 3pc '79‡‡	84	.....	3.57	9.67
89 3/8	82 1/4	Electric 4 1/2pc '74-79	85 1/8	.....	4.99	10.47
100 3/8	88 7/8	Treasury 10 1/2pc '79‡‡	91 1/8	.....	11.53	14.34
89 1/4	82 1/4	Electric 3 1/2pc '76-79	84	.....	4.16	9.88
96 3/8	84 1/2	Treasury 9pc 1980‡‡	86 11/16	.....	10.38	14.24
96 1/2	84 5/16	Treasury 9 1/2pc '80‡‡	87 1/16	– 1/16	10.91	14.40
86	78 1/4	Treasury 3 1/2pc '77-80	80 15/16xd	+ 1/16	4.32	10.05
89 1/2	80	Funding 5 1/4pc '78-80‡‡	82	+ 1/8	6.40	11.62
96 7/8	96 1/16	Exch 13pc 1980‡‡	96 1/16	– 1/32	13.52	14.27
103 1/16	88 1/2	Treasury 11 1/2pc 1981‡‡	90 13/32	– 1/16	12.69	14.56
86	76 1/4	Treasury 3 1/2pc 1979-81	77 1/16	+ 1/16	4.52	10.22
95 5/8	82 3/16	Treasury 9 1/4pc 1981‡‡	85 3/16	– 1/32	11.44	14.45
		Five to Fifteen Years				
94 1/8	79 5/8	Treasury 8 1/2pc '80-82‡‡	84 1/8	.....	10.51	13.82
70 1/2	69 1/4	Treasury 3pc '82‡‡	70 1/2	.....	4.28	10.62
99 1/2	95 1/4	Treasury 14pc '82‡‡	98 5/8	.....	14.32	14.61
107 1/4	85 7/8	Treasury 12pc 1983‡‡	92 1/2	.....	13.34	14.47
81 1/2	69 5/8	Funding 5 1/2pc '82-84‡‡	72 1/4	.....	7.84	11.81
87 5/8	74 7/8	Treasury 8 1/2pc '84-86‡‡	78 1/4	.....	11.35	13.18
74 1/2	60 1/8	Funding 6 1/2pc '85-87‡‡	63 5/8	.....	10.32	13.10
77 5/8	65 1/8	Treasury 7 1/4pc '85-88‡‡	68 5/8	.....	11.76	13.82
51 1/4	44 3/4	Transport 3pc '78-88	46 1/4xd	.....	6.45	11.47
59 1/4	45	Treasury 5pc '86-89	50 1/4	.....	9.98	13.13
103 1/4	87 1/4	Treasury 13pc 1990‡‡	92 5/8	.....	14.84	15.18
75 7/8	61 5/8	Treasury 8 1/4pc '87-90‡‡	63 1/4xd	.....	12.99	14.47

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

US $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 40¼% (based on $US1.6868 per £)

Conversion factor 0.7136 (0.7149)

CANADIANS

1976 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
14 1/4	10 3/8	Bk. Montreal $2	11 1/4	– 1/4	$1.00		5.8
40 1/2	29 1/4	Bk. Nova Scot. $2	31 3/4	+ 1/2	$1.72	—	3.5
46 1/4	33 1/4	Bell Canada 25c	37 1/4	.....	$3.72		6.3
23 5/8	12	Bow Valley‖	18	+ 1/8	10c	—	0.4
10	780p	Brascan‖	830p	+20	s$1.00	—	7.8
29 3/8	16 1/2	Can. Imp. Bk. $2	19	+ 1/4	$1.28		4.4
16 7/8	10 3/8	Can. Pacific $5	12 1/8	+ 1/4	84 1/2c		4.5
29 5/8	25 1/4	Do 4pc Deb. £100	25 1/2	+ 1/8	4%	—	15.7
37 1/4	17 1/2	Gulf Oil Can.‖	17 7/8	+ 1/8	$1.00		3.6
670p	350p	Hawker Sid. Can.‖	350p	.....	36c	—	6.6
33	21	Hollinger $5	21	.....	$1.80	—	5.5
18	10 1/2	Hudson's Bay ‖	11 1/4	+ 1/4	60c	—	3.5
34 1/8	25 1/2	Hud. B Oil G $2 1/2	26	+ 1/2	$1.60	—	4.0
22 1/4	15	Imperial Oil‖	15	– 1/4	86.4c	—	3.7
31 1/2	19 1/2	Inco	24	.....	$1.40	—	3.8
920p	660p	Int. Nat. Gas $1	750p	+10	80c		6.9
25 1/2	16	Massey Ferg.‖	17 1/4	+2	$1.00	—	3.7
27 5/8	20 1/4	Pacific Pet. $1	20 7/8	+ 1/8	86.4c	—	2.7
38 1/2p	24p	Place Gas $1	25 1/2p	+1 1/2	—	—	—
30 1/4	21 1/8	Rio Algom	21 1/8	– 1/8	$1.00	—	3.0
27 1/4	18 7/8	Royal Bk. Can. $2	19 3/4	+ 1/2	$1.38	—	4.6
28 1/4	16 1/2	Seagram Co. C$1	17 13/16	+ 1/4	86.4c	—	3.1
18 1/4	13 1/4	Tor. Dom. Bk. $1	13 13/16	+ 1/8	74c	—	3.5
11 1/8	830p	Trans Can. P. pe 33 1/2c	960p	+30	88c		5.9

S.E. List Premium 40¼% (based on $1.7183 per £)

BANKS AND HIRE PURCHASE

1976 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
390	251	ANZ $A1	284	–1	†Q14.9		3.4	
250	125	Alexanders D. £1	170	.....	11.67	—	10.6	—
£110	£80	Algemene Fl.100	£95	+1	†Q21%	2.6	5.4	9.8

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الاصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
147	95	Sime Darby 10p	104	+2	Q2.6	3.5	2.5	17.9
223	175	Steel Bros. 50p	182	......	†8.14	4.2	6.6	5.2
35	19	U. City Merc. 10p	27	......	0.93	8.8	5.3	3.3
35	21	Do. 10pc Ln.	27	......	Q10%	21.5	f9.6	—

RUBBERS AND SISALS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
53	31	Anglo-Indones'n	34	......	1.25	2.9	5.7
41	35	Bertam Cons. 10p	41	......	1.77	2.1	6.6
9½	6	Bird (Africa)	8	......	—	—	—
71	61	Bradwall 10p	71	......	2.21	1.3	4.8
92	70	Castlefield 10p	83	......	†2.06	3.2	3.8
28	23	Chersonese 10p	24	+½	†1.13	1.4	7.2
79	54	Cons. Plants 10p	79	......	Q3.0	1.3	10.1
37	28	Gadek Malay 10p	28	......	—	—	—
80½	45½	Golden Hope 10p	75	......	♦2.16	2.1	4.4
7	5½	Grand Central 10p	6	......	0.5	1.7	14.0
205	143	Guthrie £1	157	−1	6.5	0.7	6.4
49	35	Highlands M50c	40	......	‡1.45	1.1	÷
48	33½	Kuala Kepong M$1	35½	+½	†Q10c	1.2	7.0
34	22½	Kulim 50c	25	......	tQ23%	0.8	9.9
72	40½	Ldn. Asiatic 10p	62	......	♦2.3	2.3	5.7
42½	30	Ldn. Sumatra	42	......	1.21	2.7	4.4
40	31	Malakoff M$1	34	−½	2Q5%	—	—
10½	6	Malayalam 10p	9½	......	1.46	1.2	23.7
52½	42	Muar River 10p	48½	......	1.55	1.2	4.9
69	39	Patalng 10p	61	......	♦‡2.23	1.5	5.6
38	32	Plantation Hldgs. 10p	34	......	†1.77	1.5	8.0
£10½	900	Sungei Krian £1	£10	......	32.31	1.7	5.0

TEAS

India and Bangladesh

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
125	90	Assam Dooars £1	124	......	8.51	2.7	10.6
162	90	Assam Frontier £1	145	......	7.86	ϕ	8.3
51	42½	Assam Invs. £1	43	......	3.3	3.0	10.6
160	95	British Indian £1	160	......	5.0	2.0	4.9
6½	3¾	Empire Plants 10p	6½	......	0.65	2.3	16.7
155	113	Jokai £1	133	......	7.86	ϕ	9.7
91	65	Longbourne £1	84	......	3.85	ϕ	7.0
175	115	McLeod Russell £1	125	......	6.46	3.9	8.6
140	95	Moran £1	123	......	†5.76	6.1	7.2
10	5¾	Singlo Hldgs. 10p	10	......	0.78	2.8	13.3
101	74	Warren Plants	94	+2	17.8	3.1	12.8
83	66	Williamson £1	77	......	4.95	3.1	9.9

Sri Lanka

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
59	40	Lunuva £1	59	......	3.25	0.9	8.5

Africa

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
48	32	Bandanga Hldgs.	32	......	g3.48	1.9	16.7
190	170	Blantyre £1	190	......	15.27	1.7	12.4
46	36½	Ruo Estates	46	......	4.22	ϕ	14.1

MINES

CENTRAL RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
600	150	Durban Deep R1	340	+10	‡Q20c	5.5	‡
510	170	East Rand Prp. R1	275	+15	‡Q35c	5.1	‡
£23¾	935	Randfont'n Est. R2	£23¾	+1	ZQ100c	—	3.1
350	75	West Rand R1	150	......	Q10c	ϕ	4.9

EASTERN RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
200	65	Bracken R1	108	......	Q25c	ϕ	16.7
40	8	East Daggra R1	11	......	—	—	—
—	—	Govmt. Areas 5c	140#	......	—	—	—
122	30	Grootvlei 30c	86	+3	‡Q20c	1.5	‡
530	140	Kinross R1	255	+5	Q32c	ϕ	9.1
67	24	Leslie 70c	34	......	Q9c	ϕ	19.1
230	30	Marievale R0.50	76	......	‡Q42c	1.4	‡
*148	40	S. African Ld. 35c	50	......	‡Q30c	2.0	‡
105	28	Vlakfontein R1	46	−1	‡Q20c	1.2	‡
385	290	Winkelhaak R0	445	−5	Q76c	ϕ	12.4
50	13	Wit. Nigel 25c	25	......	—	—	—

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	370	......	Q75c	1.6	14.7
£14	440	Buffels R1	680	......	‡Q125c	1.6	‡
*140	70	Deelkraal R0.20	86	......	—	—	—
760	125	Doornfontein R1	240	......	Q55c	2.2	16.6
965	330	East Drie R1	640	+5	Q75c	1.7	8.5
280	122	Elandsrand Gld. 20c	170	......	—	—	
190	44	Elsburg R1	100	......	‡Q33.8c	1.0	‡
£16½	520	Hartebeest R1	£10½	......	Q190c	1.3	13.1
695	260	Kloof Gold R1	440	−5	Q47c	1.5	7.7
760	140	Libanon R1	320	......	Q80c	2.0	18.1
740	230	Southvaal 50c	370	......	Q8c	1.3	1.6
245	92	Stilfontein 50c	150	......	Q22c	ϕ	‡
£20¾	700	Vaal Reefs 50c	£10⅝	−⅛	‡Q175c	2.1	‡
420	48	Venterspost R1	155	+5	Q25c	3.6	11.7
£35	£11¼	W. Drie R1	£20	......	Q335c	1.5	12.1
315	68	Western Areas R1	162	+2	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	810	......	‡Q140c	1.6	‡
290	100	Zandpan R1	170	......	Q31¼c	1.0	13.3

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	115	+5	Q9c	0.6	5.7
£22½	715	F.S. Geduld 50c	£11	+¼	Q200c	ϕ	13.2
200	50	F.S. Saaiplaas R1	90	......	6c	2.6	4.8
465	170	Harmony 50c	300	......	‡Q65c	1.9	‡
195	38	Loraine R1	83	+3	Q6c	0.5	5.2
£18½	600	Pres. Brand 50c	975	+13	Q170c	ϕ	12.6
£13	395	Pres. Steyn 50c	705	−10	Q45c	ϕ	4.6
£23⅛	750	St. Helena R1	£12	......	Q170c	ϕ	10.2
174	70	Unisel	125	......	—	—	—
330	125	Welkom 50c	185	−5	Q15c	ϕ	5.9
£25½	950	W. Holdings 50c	£14¾	−¼	Q310c	ϕ	15.2

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
535	315	Ang. Am. Coal 50c	430	......	MQ38c	2.8	6.4
375	165	Ang. Amer. 10c	232	+2	Q33c	1.9	10.3
£28¾	£10½	Ang. Am. Gold R1	£15⅝	......	‡Q260c	1.3	‡
£13¼	800	Ang-Vaal 50c	850xd	+25	Q105c	3.3	8.9
199	101	Charter Cons.	113xd	−2	†6.76	2.4	8.8
220	113	Cons. Gold Fields	154	+2	7.37	2.1	7.4
23½	13	East Rand Con. 10p	16	......	1.0	2.2	9.6
330	150	Geduld Inv. R1	240	......	Q40c	1.5	12.1
£25	£12¾	Gen. Mining R2	£14¾	+¼	Q210c	2.1	10.7
£20⅝	10	Gold Fields S.A. 25c	£12	......	Q155c	1.2	9.3
£24	£11½	Jo'burg Cons. R2	£14½	......	Q170c	2.2	8.5
380	195	Middle Wit 25c	210xd	......	Q35c	1.2	12.1
250	156	Minorco $BD1.40	156	......	Q2c	0.7	0.8
160	56	New Wit 50c	90	−2	Q18c	1.0	14.5
£14⅝	770	Patino NV Fls.5	£12¾	−¼	QC65c	0.8	3.3
810	310	Rand Selection 50c	370xd	......	Q65c	ϕ	‡
543	355	Selection Trust	375xd	......	15.2	1.5	6.2
230	98	Sentrust 10c	150	+5	Q30c	1.4	15.5
66	29½	Silvermines 2½p	35	......	3.0	1.6	13.2
£12½	700	Tvaal Cons. Ld. R1	950xd	−25	Q75c	2.4	5.7
310	110	U.C. Invest R1	150	......	‡Q36c	1.0	‡
465	175	Union Corpn. 6.25c	240	......	‡Q36c	1.4	10.8
90	45	Vogels 2½c	68	......	‡Q6½c	1.2	6.9

DIAMOND AND PLATINUM

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£32½	£17½	Anglo-Am. Inv. 50c	£20½	+¼	‡Q244c	1.6	8.6
122	68	Bishopsgate Plt. 10c	69xd	......	†Q8c	ϕ	8.4
335	187	De Beers Df. 5c	195	+1	Q28c	2.2	10.4
£14	850	Do. 40pc Pf. R5	£10	......	Q200c	12.0	14.5
128	68	Lydenburg 12½c	70	......	Q7.2c	ϕ	7.4
123	93	Rus. Plat. 10c	93	......	Q10c	3.2	7.8

CENTRAL AFRICAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
165	53	Coronation 25c	63	+3	Q5c	ϕ	‡
130	68	Falcon Rh.50c	100	......	Q35c	ϕ	—
25	9	Rhod'n Corp. 16⅔p.	13	......	0.55	6.0	6.6
195	120	Roan Cons. K4	145	......	—	—	—
178	140	Tanganyika 50p	150	−2	Q10.0	0.8	6.7
70	65	Do. Pref. 80p	70	......	Q9	10.2	10.7
54	25	Wankie Col. Rh.1	40	......	Q7½c	1.5	—
46	15½	Zam. Cpr. SBD0.24	15½	......	—	—	—

AUSTRALIAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
33	18	Acmex 25c	20	......	—	—	—
323	132	A. M. and S. 50c	232	......	♦†Q7c	1.5	1.9
165	96	Bougainville 50 Toea	100	+2	Q10c	ϕ	6.3
235	100	BH South 50c	110	+10	—	—	—
75	15	G.M. Kalgoorlie $1	20	......	—	—	—
106	58	Hampton Areas 5p	76	......	1.3	5.0	2.6
86	27	Metals Ex. 50c	30	+3	—	—	—
24	12	Metramar 20c	20	......	—	—	—
294	184	M.I.M. Hldgs. 50c	186	+2	Q4½c	1.8	1.5
105	25	Mount Lyell 25c	28	+3	—	—	—
3	2	Newmetal 10c	2	......	—	—	—
113	69	North B. Hill 50c	85	......	Q9c	1.3	6.5
9	5	Nth. Kalgurli	5	......	—	—	—
112	65	Oakbridge $A1	79	−3	Q9c	1.5	7.2
36	14	Pacific Copper 25c	20	......	—	—	—
£19½	675	Pancont'l 25c	700	+25	—	—	—
17	9	Paringa M&Ex. 5p	9	......	—	—	—
492	310	Peko-Wallsend 50c	330	+20	Q15c	ϕ	2.8
300	60	Poseidon 50c	75#	......	—	—	—
13	6	Vultan Mn. 50c	6	......	—	—	—
9	4	Westmex 10c	5	......	—	—	—
*199	127	Westn. Mining 50c	130	+1	Q5c	1.3	2.4
75	36	Whim Creek 20c	60	......	—	—	—

TINS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
45	28	Amal. Nigeria	32	......	0.93	0.9	4.5
340	160	Ayer Hitam $M1	335	+5	23.0	1.4	10.6
32½	17	Beralt Tin	28	......	Z4.0	2.8	22.0
415	315	Berjuntai $M25	380	......	Q$M1.5	ϕ	9.8
For Ex Lands see Trusts, Finance, Land							
265	155	Geevor	220	......	5.0	—	3.3
14	6	Gold & Base 12½p	9	......	—	—	—
250	170	Gopeng Cons.	225	+3	†11.0	1.3	7.5
80	64	Hongkong	72	......	—	—	—
70	56	Idris 10p	60	......	7.15	1.5	19.3
7½	6	Jantar 12½p	7	......	—	—	—
42	31	Kamunting 15p	35	......	‡7.0	1.2	‡
280	125	Killinghall	250xd	......	Q50.0	ϕ	20.0
240	168	Malay Dredging	207	+5	11.0	1.1	8.2
38	20	♦Pahang	27#	......	Q2.5	ϕ	‡
55	40	Pengkalen 10p	45	......	‡7.0	1.5	‡
135	104	Petaling $M1	133	......	Q12½c	—	2.3
46	19	Saint Piran	40	......	1.25	2.5	4.6
100	64	South Kinta (10p)	70	......	7.5	0.6	16.5
200	105	Sthn. Malayan	172	+5	11.8	1.1	10.6
46	31	Sungei Besi $M1	45	......	—	—	—
42	29	Supreme Way $M1	42	......	ZQ10	—	5.9
48	40	Tanjong 15p	43	......	4.64	0.9	17.8
52	40	Tongkah Hrbr. $M1	43xd	......	Q5.0c	ϕ	‡
110	58	Tronoh $M1	101	+1	†4.29	2.0	6.5

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST P2	42	......	—	—	—
335	155	Messina R0.50	175	......	Q45c	ϕ	19.9

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	22½	......	—	—	—
930	550	Cons. Murch. 10c	620	......	†Q80c	1.8	9.3
440	245	Northgate C$1	410	+70	—	—	—
239	152	R.T.Z.	142	−5	g5.96	2.1	6.5
112	64	Sabina Inds. C$1	64	......	—	—	—
£15⅞	£10	Tara Exptn. $1	£12	......	—	—	—
45	32½	Yeuly Minerals 10p	33	......	†h1.03	ϕ	5.1
145	84	Yukon Cons. C$1	109	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Sterling denominated securities which include investment dollar premium.
- "Tap" Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Free of Stamp Duty.
- Merger bid or reorganisation in progress.
- ÷ Not comparable.
- Same interim, reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 26

FINANCIAL TIMES
Friday December 3 1976

Shipbuilders seek State aid for orders

BY JOHN WYLES, SHIPPING CORRESPONDENT

MERCHANT SHIPBUILDING industry leaders, alarmed at the prospect of further delay to the nationalisation Bill, will ask the Government to provide help to attract badly needed new orders.

The Shipbuilders and Repairers National Association decided yesterday to seek an early meeting with Mr. Eric Varley, the Industry Secretary, to stress the mounting dangers facing the industry between now and possible nationalisation.

This will be the association's first direct contact with the Minister for more than a year and its message will be that unless aid to encourage new orders comes rapidly, substantial lay-offs will be inevitable.

The association's national council discussed the implications of a warning given by Mr. Varley on Wednesday that no Government financial assistance would be available for shipbuilding and aerospace until the two industries were nationalised.

Urgent need

The council took the view that this embargo applied to companies which ran into cash difficulties. In the council's view the merchant shipbuilders' urgent need is for an aid policy which would minimise the cash and credit attractions to British shipowners of ordering ships abroad, and such assistance did not appear to be ruled out by Mr. Varley's statement.

Orders booked by the industry this year looks likely to be the lowest since 1966 while the total order book is thinner than at any time for the past five years.

While it is hoped that the Government will be able, within the EEC and the OECD, to shelter the industry from the worst effects of the worldwide shipbuilding recession, the industry believes some kind of general subsidy scheme is vital.

Shipbuilders are reluctant to offer a detailed forecast of unemployment if present trends continue, but on a conservative estimate it appears that at least 2,000 jobs could disappear within the next six months, most in Scotland.

Govan Shipbuilders and Scott Lithgow on the Clyde, Hall Russell in Aberdeen and Robb Caledon at Dundee are now close to cutting their labour forces. With unemployment looming, trade union pressure is also building up on the Government to take some remedial action.

Ministers wanted the proposed new corporation, British Shipbuilders, to become the vehicle for implementing a national policy for the industry, and they are very reluctant to bring forward any interim measures.

However, although the nationalisation Bill may complete its Commons stages for the second time next week, the legislation could still be seriously delayed in the Lords.

The industry fears that the hybridity question will be used by the Lords to fend off nationalisation since the Government's use of the Parliament Act will prevent the Bill being voted down a second time.

At worst, a hiatus in the Lords could mean that the Bill will not receive Royal Assent before next autumn.

● Yarrow Shipbuilders, the Clydeside warship manufacturer, disclosed yesterday that it is deferring completion of its annual accounts for the year ending June 30, 1976, until the Government approves a further distribution of retained profits to its parent, Yarrow and Company. Pre-tax profits are £4.9m., compared with £5.61m. for the previous year.

France tightens code for accounts

By Michael Lafferty

BRITISH AND other international accounting firms operating in France will be subjected to a much greater degree of surveillance from the French Securities and Exchange Commission, the COB, under a directive to be announced shortly.

The new rules, which will give the COB powers to review audit programmes, procedures and the conclusions arrived at from the work actually done by auditors, have already been accepted by the Paris office of Price Waterhouse, the London-based leading international accounting firm.

The COB has also lifted its five-month suspension on Price Waterhouse from acting as reporting accountants and auditors for any new Bourse quotations.

The suspension had followed a COB investigation into the collapse of Voyer and Co., a medium-sized construction company which was listed in 1973. Price Waterhouse had been the reporting accountants and auditors.

During the suspension the COB examined Price Waterhouse's files on the Voyer case and reviewed all its audit procedures.

Conditions

The far-reaching conditions accepted by Price Waterhouse, which the COB now intends to apply to all other foreign acounting firms in the case of new Bourse issues, include:

Before any work is started on the audit a detailed programme must be submitted to the COB for approval; the COB may modify the programme;

On completion of the audit a detailed report must be submitted setting out the audit procedures carried out and the conclusions reached;

The COB may have access to all working papers in the case.

The COB already has these powers in relation to French auditors.

Printing industry union fight goes to High Court

BY ROY ROGERS, LABOUR CORRESPONDENT

A BITTER recruiting campaign for members employed in advertising agencies and other fringe printing industry areas will surface in the High Court to-day.

Grand Print, a London-based colour processing laboratory, is seeking an injunction against the National Society of Operative Printers Graphical and Media Personnel (Natsopa) aimed at preventing the union from carrying out its threat to black certain work.

Natsopa, which already has some members at Grand Print, wants to continue recruiting. Like most printing industry unions it faces considerable reduction in Fleet Street members as the national newspaper industry proceeds with long-term plans for the introduction of new technology.

In a broadly similar dispute the Society of Lithographic Artists, Designers and Engravers (SLADE) is threatening to black work from Collett, Dickenson, Pearce and Partners, one of the country's largest advertising agencies.

SLADE has agreed to postpone the action, due to begin yesterday, pending a meeting between union officials and the 40 or so workers they are seeking to recruit. The agency's staff are overwhelmingly opposed to joining SLADE.

Yesterday also saw the publication of proposed guidelines for the introduction of new technology throughout the national newspaper industry which, if accepted, are expected to lead to the disappearance of about 7,000 jobs during the next few years.

Details of the plans, agreed by Fleet Street managing directors and print union general secretaries, are being circulated to all workers in the industry who will consider them during the next few weeks before balloting early in the New Year.

Even though the proposals stress there will be no compulsory redundancy and that workers volunteering to leave the industry could receive as much as £15,000, union leaders may still have a difficult task to sell the plans to delegate meetings to be held over the next few weeks.

Redundancy payments would be assessed according to the worker's age, length of service, and earnings, and would be paid on a three-part basis including an initial lump sum and nett income maintenance for a period of five years.

The proposals also include improved pension arrangements, measures to phase out the system of casual working in the industry and a revised dispute procedure.

Leaders of the six unions involved—the Society of Graphical and Allied Trades, the National Graphical Association, Natsopa, the National Union of Journalists and the Engineering and Electrical and Plumbing Trades Unions—will emphasise to their members the warning contained in the joint statement yesterday that rejection of the package would result in "titles continuing to fall as newspaper economic difficulties forced them out of business" with the inevitable consequences of compulsory redundancy with little or no warning.

THE LEX COLUMN

More provisions at Bass

Index fell 0.4 to 300.9

A strong trading performance through the summer at Bass Charrington has been partly masked by some substantial year-end adjustments, and profits for the year emerge at £68.6m. against £55.6m. pre-tax. A further provision of £4.5m. has been made against the Bordeaux wine stocks, which represent 37 per cent. of their book value at the start of the year. And the borrowing costs include £7.4m. arising from unmatched foreign exchange liabilities.

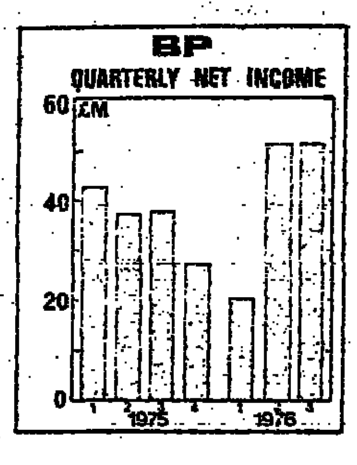
Bass suggests that the mismatching stems from wine losses in France and the U.S. But it is difficult to see how losses in these areas could have been big enough to open up such a wide currency exposure.

Excluding these items, the underlying rate of growth during the summer months was something over a third, which on the basis of the figures indicated so far puts Bass after Whitbread and ahead of Allied on the league table. The strength of the lager business made an important difference: Bass claims 28 per cent. of the market (against just over 20 per cent. for beers generally) and lager represents about 30 per cent. of its beer sales. In addition, the full benefits of the new Runcorn brewery only started to flow through from about the spring.

This will have a further impact in the current year, and volume is holding steady so far. No one seems to expect that demand will be anything but flat in 1977. But it is probably not so much the uncertainties about the Chancellor's intentions that have caused the shares to underperform a dull sector over the past month as the publicity given to the Boardroom squabble. This remains in the air: meanwhile the dividend yield at 68p is 10½ per cent., and could be covered nearly 1¼ times by CCA earnings.

BP

BP's third quarter net income of £51.9m., just about the same as in April-June, is maybe £20m. below market expectations, but that hardly seemed to matter yesterday with late U.S. buying pushing the shares up 8p to 736p. The hope was that recovery in European markets, notably Germany, would have combined with a rising Forties field contribution to keep the earnings trend heading upwards.



Product volumes continue to climb by 9 per cent. on a year ago. But unfortunately it looks as though there has been weakness in the U.K. market, squeezed by sterling, while Forties is taking its time to come through, and various special items have chipped away at third quarter net income.

Thus exploration write-offs are up £8m., and depreciation and interest are sharply higher. Moreover the basis of calculating petroleum revenue tax has been changed, and the £31m. charge includes maybe £10m. provided retrospectively for the first two quarters—a move which itself could disguise a £16m. improvement between quarters two and three. Net income of £200m. is still possible for the full year—but then immediate prospective earnings of 50p a share are quite irrelevant to the present share price.

Nat. & Commercial

Bank of Scotland's interim figures hinted that Scotland was no longer significantly outperforming the English economy, and National and Commercial's preliminary figures confirm this. Half yearly operating profits which had been recovering steadily since mid-1974 showed no growth in the second half. So yielding 7 per cent. at 51p—a full point below Midland—the shares look vulnerable.

The North Sea oil boom has peaked out, and lending hardly increased at all during the year. With Scottish clearing bank sterling deposits growing by under 4 per cent. during the year to September what balance sheet growth there was primarily reflected a rise in ... currency assets. A ... absence of last year's £10m ... debt provision plus a ... showing from FFI and ... and Scottish has boosted ... tax profits by 55 per cent. ... £57.7m. However, after ... £6.1m. extraordinary item, ... cipally reflecting the write ... of Royal Bank of Scotland ... vestment in its Austr... affiliate and Williams ... Glyn's stake in Bank Am... Williams Glyn Factors, ... able earnings growth falls ... fifth, giving earnings per ... of 9.7p.

At £20.2m. Williams ... Glyn's operating profits are ... not back to 1974 levels ... ally because of the greater ... perty involvement and the ... creasing importance of ... Royal Bank of Scotland ... the group possibly explains ... recent executive reshuffle in ... holding company.

Racal

Racal slipped 7p to 2..p ... terday, but that was prob... inevitable given a rise of ... per cent. in the shares in ... five weeks ahead of the ... figures—which at £11.5m. ... tax, against £8.2m., can ... disappointed only the ... optimists. The traditional ... year forecast from the comp... suggests that profits in 197... can fall into the £30m. to £... bracket, so earnings per ... are going to top 30p, ... 19½p last time.

The background ... much the same—sharply ... sales volume on a relati... stable fixed costs base. But ... gins—which have widened ... 28 per cent.—are also ga... from the strength of ex... margins and the growing pr... ability of some of Racal's new ... product areas outside fixed ... mobile communications syste... Exports are apparently runn... at an annual rate of aro... £80m., compared with first ... turnover overall of £52m.

This year the return ... capital employed is prob... going to top 90 per cent.; ... the 1976-77 yield of 1¼ per ce... is going to be covered some ... times by earnings. At least ... recent purchase for £3½m. ... 15 per cent. stake in Milg... the U.S. suggests that Racal ... beginning to spend some of ... cash flow. The holding gives ... group Boardroom representa... tion.

More meetings on letter of application for IMF loan

BY RICHARD EVANS AND PETER RIDDELL

THE Government appears to be increasingly hopeful that an indication of international willingness to discuss sterling balances can be given at the same time as or very soon after the economic statement expected the week after next.

This emerged yesterday as the Cabinet held another three-hour meeting to discuss the terms of the letter of application associated with the $3.9bn. loan from the IMF and the economic package.

Decisions were not completed yesterday and the Cabinet will hold further meetings on Monday and Tuesday to consider detailed measures.

Consequently, it is at present thought likely that Mr. Alan Whittome, head of the IMF team who returned to London on Wednesday evening, may remain until early next week in order to hear the Cabinet's decision on the main points to be included in the letter of intent.

The Prime Minister has allowed all Cabinet members to state their views and the stage may therefore now have been reached where the broad orders of magnitude of the adjustment are actually being discussed.

The attendance of Mr. Joel Barnett, Chief Secretary to the Treasury, at yesterday's meeting indicates the important part cuts in public spending are likely to play in the package.

Common ground

The outcome is still far from certain in view of the need to reconcile the known opposition of many members of the Cabinet to measures which might imperil the social contract with the need to meet the IMF terms and to satisfy the market as well.

The delicacy of the situation is increased by the fact that at meetings last month the Cabinet requested Mr. Healey to prepare proposals which would have a smaller impact on unemployment and economic activity than those under discussion earlier.

While Mr. Healey was keen to stress on Tuesday in the Commons the common ground between the Government and the IMF, he pointed out that "it is for the British Government alone to decide the size, nature and phasing of the adjustments required to bring our economy into balance in time. When we have taken our decision, the IMF will have to decide whether we have decided wisely."

In view of the length of the debate so far and the continued intention to announce a decision in the week beginning December 13, there must be doubts about how detailed any announcement on spending cuts will be and how far they may be left to the publication of the Public Expenditure White Paper in the New Year.

● The economic situation is due to be discussed to-day at a meeting between the Prime Minister and CBI leaders.

Machine tool orders increase at last

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE VALUE of the machine tool industry's order books increased for the first time in two years during July, August and September, according to Department of Industry statistics published to-day. But the industry is hesitant about whether the recovery will be maintained.

The improvement was only slight, with orders on hand moving from £195m. to £200m. over the three months to mid-September.

But the statistics are better than expected. At the international machine tool exhibition in Birmingham in September, manufacturers were reporting that the order intake was showing signs of hesitancy.

However, the recovery shown in the official figures was reflected in the industry's employment figures. After having lost about 5,000 people during the recession, the machine tool companies are estimated to have taken on about 200 more in the third quarter.

To put the position in perspective, however, the new order intake for the month to mid-September was £29.8m. which represents an annual rate of about £360m. This compares with industry capacity of at least £450m. at current prices and suggests machine tool makers were operating at an average of only 80 per cent. of capacity.

Indications are that statistics for October will look reasonably healthy when they are published but November was a bad month.

For example, Mr. Mark Russel, chairman of B. Elliott, says that there was a small but consistent increase in U.K. orders during the summer but recently poor economic news halted this improvement. "The anticipated number of machine tool orders following the exhibition in Birmingham has not been received."

Machine tool makers had been hoping by now to be receiving orders from British Leyland's car division. But so far nothing significant has materialised, and now manufacturers do not expect to receive major orders before next month.

Statistics published in to-day's Trade and Industry magazine show that of the £199.3m. of orders-on-hand at mid-September about £104m. was destined for the home market, an increase of 6 per cent. over the previous three months. Export orders were 2 per cent. down.

Total order books still were 24 per cent. lower than in the corresponding period of 1975.

Over the July-to-September period, orders received from the home market at £57m. were 21 per cent. up in value terms over the previous three months and 86 per cent. ahead of the same period the previous year. Export new orders were 15 per cent. above the second quarter at £30m.

"This is much more than can be attributed to price increases and indicates an encouraging and strong improvement in real terms," the Department of Industry said.

Continued from Page 1

Tories face devolution split

leaders insist, as a vote against a form of devolution chosen by the Government.

The Tories clearly fear that unless they mount an effective publicity campaign at Westminster and in Scotland, they will be branded as anti-devolutionists.

Official party policy is still to have a directly elected Scottish Assembly, but with much smaller powers than the Government is proposing.

They remain firmly opposed to any form of devolution for Wales.

Mrs. Thatcher and Mr. Pym will explain the party's position in detail during the four-day second reading debate the week after next.

But there is every prospect of both the Labour Party and the Scottish National Party taking the maximum propaganda advantage from the Tories' dilemma.

More than 50 Conservative MPs representing English seats tabled a Commons motion yesterday insisting that any devolution of power from Westminster must be accompanied by a commensurate reduction either in the scope of the voting rights of Scottish and Welsh members at Westminster, or in their number.

The sponsor, Mr. George Gardiner, MP for Reigate, said the intention was to remind Parliament of the "poor old English."

On the Labour side, where the Party Whips are likely to have an equally trying time once the Bill's committee stage starts in the New Year, Mr. Eric Heffer, Left-wing MP for Walton, warned that some backbenchers would defy the Government.

● Leaders of industry in Wales yesterday came out against the Government's plans for devolution. The proposals were rejected by the Wales council of the CBI at a meeting in Cardiff.

Lord Watkinson, CBI president, who was in Cardiff, said later that the plans would create a "special county council" in Wales on top of all the other councils.

It would slow down decision-making, increase costs and be divisive.

Lord Watkinson said devolution was irrelevant, and there should be a referendum on the issue.

Continued from Page 1

Rhodesia government

end the colonisation of Zimbabwe."

Although the African nationalist delegations agree on the need for a rapid transfer of power to the black majority of Rhodesia, their present views on an interim administration differ widely and there has been a clash between them over the question of elections.

While all delegations here agreed earlier that general elections should be held in the later stages of the transitional period, the Patriotic Front has said little about these in this week's debates.

The delegation of Mr. Sithole sees the need for such elections to determine the government to hold power after independence.

Bishop Muzorewa, who enjoys wide popular support within Rhodesia, is insisting on elections for the transitional government itself.

"We stand steadfastly in our demand for a test of public opinion before the transitional government is formed," he told the restricted working session of the conference.

Bishop Muzorewa also expressed his great disappointment with British views on the shape of a transitional government, especially in that these would impose a structure on the people without letting them express an opinion.

Referring to the "most weird and wonderful suggestions" of the nationalists, Mr. Pieter van der Byl, leader of the white delegation, said that the Rhodesian Government was little more than an observer at the conference.

Mr. van der Byl has continued to insist that the function of the conference is merely to appoint the white-chaired Council of State, part of the two-tier government in the Kissinger plan.

Mr. van der Byl's colleague, Mr. Mark Patridge, Minister of Lands, complained after that Mr. Richard was siding with other delegations and was tending to ignore the existence of the Rhodesian Government.

'Ending pay code may bring 40% rises'

BY ROY ROGERS, LABOUR CORRESPONDENT

THE ENGINEERING employers warned yesterday that a return to free collective bargaining when the present phase of pay policy expired next July could lead to inflationary settlements of 40 per cent. or more.

This indication that employers might be moving away from their earlier demands for far greater flexibility under the next phase came from Mr. Anthony Frodsham, director general of the Engineering Employers' Federation.

Addressing journalists at a London lunch, Mr. Frodsham, who also delivered a blistering attack on Government moves towards worker-director, declared that while "everybody would like free collective bargaining restored" it would be impractical and probably lead to deals of 40 per cent. or more.

There could not, therefore, be a return to unfettered bargaining even though continued pay restraint created anomalies for middle management and skilled workers. He was, however, confident that the present £2.50 to £4 policy would hold.

Although the Federation has no pay policy proposals of its own at present, indications are that it may come out in favour of a straight percentage limit and urge the Chancellor of the Exchequer to help middle management and skilled workers by way of tax concessions.

But according to Mr. Frodsham, the path towards industrial democracy was causing the industry more concern than any other issue at present.

Emphasising that the Federation would oppose any moves to impose worker directors on companies, he hit out again at the "biased" terms of reference of the Bullock Committee which is shortly to report to the Government.

There was, he said, no evidence to show that a worker director system would improve efficiency and a union-based system of directors would "divide and paralyse decision-making processes and very likely introduce dissension within unions."

Nor was their evidence of significant employee demand for worker directors in the engineering industry—the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union having already expressed concern at the prospect.

Mr. Frodsham appealed to the Government to consider whether the time was right for what he described as more irrelevant, unwanted, unnecessary legislation.

Weather

U.K. TO-DAY

Sunny intervals, wintry showers.

London, S.E., Cen. S. England, Midlands
Bright intervals, wintry showers. Wind light, variable. Rather cold. Max. 5C (41F).

Channel Islands
Cloudy, some showers. Rather cold. Max. 7C (45F).

E. Anglia, E. Cen. N., N.E. England, Border, Edinburgh, Dundee, Aberdeen, N.E. Scotland
Bright intervals, sleet or snow showers. Cold. Max. 2 or 3C (36 or 37F).

S., W., N.W. England, Wales, Lake District, Isle of Man:
Bright intervals, wintry showers. Rather cold.

Rest of Scotland, N. Ireland
Sunny intervals. Sleet or snow showers. Cold. Max. 3c (37F).

Outlook: Cold, Rain or sleet Night Frost.

Lighting-up: London 16.24; Manchester 16.24; Glasgow 16.18; Belfast 16.32.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm	F	5	41	Manchestr	C	2	36
Athens	C	17	63	Melbourne	C	12	54
Barcelona	F	18	64	Mexico C	S	16	61
Belfast	S	3	37	Milan	C	7	45
Belgrade	F	14	57	Montreal	C	0	32
Berlin	C	3	37	Moscow	C	1	34
Birmnghm	F	4	39	Munich	C	4	39
Bristol	S	6	43	Newcastle	Sn	1	34
Brussels	C	4	39	New York	C	5	41
Budapest	R	6	43	Oslo	S	−1	30
B. Aires	C	21	70	Paris	C	7	45
Cairo	S	20	68	Perth	S	23	73
Cardiff	S	5	41	Prague	S	6	43
Cologne	C	4	39	Reykjavik	C	1	34
Copnhagn	F	5	41	Rio de J'o	S	34	93
Dublin	C	1	34	Rome	C	17	63
Edinburgh	S	0	32	Singapore	S	30	86
Frankfurt	F	6	43	Stockholm	C	0	32
Geneva	R	4	39	Strasbourg	C	7	45
Glasgow	S	0	32	Sydney	S	27	81
Helsinki	Sl	1	34	Tehran	C	9	48
Hong Kong	S	22	72	Tel Aviv	R	18	64
Jo'burg	S	26	79	Tokyo	S	15	59
Lisbon	C	14	57	Toronto	S	5	41
London	C	6	43	Vienna	C	9	48
Luxmbrg	Sn	0	32	Zurich	C	4	39
Madrid	C	16	61				

HOLIDAY RESORTS

Ajaccio	C	15	59	I. of Man	F	5	41
Algiers	C	17	63	Jersey	F	9	48
Biarritz	C	11	52	Las Plmas	C	20	68
Blackpool	R	4	39	Locarno	C	6	43
Bordeaux	C	9	48	Majorca	F	21	70
Boulogne	C	5	41	Malaga	C	22	72
Casablnca	C	16	61	Nairobi	C	20	68
Cape Tn	S	19	66	Naples	F	12	54
Corfu	S	15	59	Nice	C	9	48
Dubrovnik	C	13	55	Nicosia	C	13	55
Faro	C	17	63	Oporto	R	14	57
Funchal	F	20	68	Salzburg	R	5	41
Gibraltar	C	16	61	Tangier	C	15	57
Guernsey	C	7	45	Tunis	C	16	61
Innsbruck	Sn	1	34	Valencia	C	16	61
Inverness	S	−1	30	Venice	C	8	46

S—Sunny, R—Rain, C—Cloudy, F—Fair, Sn—Snow, Sl—Sleet.

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